

## INDIANA

Cassius W. Cottingham, Sharpsville.  
James E. Purkiser, West Baden Springs.

## KANSAS

Jay F. Higbee, Formoso.  
Anna M. Bryan, Mullinville.  
Edwin W. Coldren, Oberlin.  
Leo P. Gallagher, Osborne.  
Paul J. Voran, Pretty Prairie.  
James E. Gay, Spring Hill.  
Grover Miller, Syracuse.

## MASSACHUSETTS

Charles E. Morrison, Falmouth.  
Thomas F. Donahue, Groton.  
Nelson J. Buckwheat, Huntington.  
John H. Gavin, Manchester.  
Margaret E. Rourke, Prides Crossing.

## NEW YORK

Alberta J. Webber, Atlanta.

## NORTH DAKOTA

Oscar J. Haner, Douglas.  
Harold J. Rock, Hamilton.  
John C. Black, Plaza.  
Seth E. Garland, Tioga.

## HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 5, 1936

The House met at 12 o'clock meridian.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou art our very life, O Lord; do Thou consider and hear us. Let all things be hallowed by Thy blessing, enriching our wills and affections with abiding treasure. With deepest gratitude, we thank Thee, that Thou hast been pleased to reveal Thyself in the earthly life of the Man of Judea. Every sin that blasts is condemned by His cross and every inspiration that saves flows from it. We rejoice, blessed Father, that it testifies to Thy everlasting love and sympathy with burdened humanity. Let us cherish and hold on to it. It means hope and fellowship when the strain of the day is severest. We pray for the renewal of patience and strength in this time of need. Keep in our breasts the spirit of thanksgiving, for there is always more reason for joy and gladness than for bitterness. Guide us in all our ways, for infinite love in Thy heart means light in Thine eye. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1124. An act for the relief of Anna Carroll Taussig;  
S. 2188. An act for the relief of the estate of Frank B. Niles;  
S. 2219. An act for the relief of Lt. D. A. Neuman, Pay Corps, United States Naval Reserve Force;  
S. 2875. An act for the relief of J. A. Jones; and  
S. 2961. An act for the relief of Peter Cymboluk.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 10265. An act to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the

Senate to the bill (H. R. 8459) entitled "An act to standardize sick leave and extend it to all civilian employees."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8458) entitled "An act to provide for vacations to Government employees, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 10630) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes", disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. McKEL-LAR, Mr. THOMAS of Oklahoma, Mr. NORBECK, and Mr. STEWART to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Secretary be directed to request the House to return to the Senate the bill (S. 3586) entitled "An act to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their National Jamboree to be held during the summer of 1937."

PATRICK J. CARLEY

Mr. TONRY. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. TONRY. It is with profound regret, Mr. Speaker, that I rise in my place to announce the death of a former Member of this House and my predecessor, Hon. Patrick J. Carley.

He served with great honor and distinction as a Member of Congress from the Eighth Congressional District of New York for 8 continuous years and retired voluntarily because of serious illness.

He was a highly successful businessman and held the respect and confidence of not only the people of Brooklyn, N. Y., but the people throughout my State as well. Our country has lost a great patriot and my State a respected and honored citizen.

Personally I feel that I have lost a very devoted and loyal friend.

## LEAVE TO ADDRESS THE HOUSE

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. STACK. Mr. Speaker and ladies and gentlemen of the House, I am not going to talk about somebody that died but about somebody that is very much alive. I am going to talk about myself. [Laughter and applause.]

For the information of the Members, I am going to read a letter from a constituent in my district that I received this morning.

This letter is of interest to Members of the House who try to represent their districts as their judgment directs.

The letter is as follows:

MARINE ENGINEERS' BENEFICIAL ASSOCIATION, No. 13,  
303 MARINE BUILDING, DELAWARE AVENUE AND SOUTH STREET,  
Philadelphia, March 4, 1936.

HON. MICHAEL J. STACK

House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: I notice the opposition being set up against your candidacy for reelection.

I am not a party man, always voting independently for the man who appears to me to be best fitted to represent my interests.

I know nor care nothing as to whether or not a man plays politics with the politicians. His actions upon questions concerning the welfare of the majority of his constituents govern my appraisal of his qualifications for office.

I have closely followed your work as the Representative of the Sixth Congressional District of Philadelphia (my home district),

and want you to know that unless you make an inexcusable blunder during the remainder of this session you can count on my support as against any of those so far announced as opposing you.

[Applause.]

I am not a politician and may not have a following outside of our association, but many marine engineers vote in your district, and, since we are almost wholly governed by Federal statutes, we are all vitally interested in the man who is sent to Washington as our Representative, and I feel certain that you will receive a very great majority of their votes.

I have been very free to ask of you what I thought I might be entitled to, and have in each case received what I asked for, and I believe in giving flowers while one is able to admire them and smell them.

Sincerely yours,

WARREN C. EVANS,  
Business Manager.

[Applause.]

#### COMMITTEE ON MILITARY AFFAIRS

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may be permitted to sit during the session of the House this afternoon.

The SPEAKER. Is there objection?

There was no objection.

#### SESQUICENTENNIAL ANNIVERSARY, COLUMBIA, S. C.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8886, an act to authorize the coinage of 50-cent pieces in commemoration of the sesquicentennial anniversary of the founding of the city of Columbia, S. C., and agree to the Senate amendments.

The SPEAKER. The Clerk will report the amendments. The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "city of" and insert "capital of South Carolina at."

Page 2, lines 3 and 4, strike out "city of" and insert "capital of South Carolina at."

Page 2, line 11, strike out "city of" and insert "capital of South Carolina at."

Amend the title.

The Senate amendments were agreed to.

#### CONTESTED-ELECTION CASE—MILLER V. COOPER

Mr. KERR, from the Committee on Elections No. 3, submitted a privileged report from the Committee on Elections No. 3 on the contested-election case of *Locke Miller v. John G. Cooper*, which was referred to the House Calendar and ordered printed.

#### FILING OF COPIES OF INCOME RETURNS

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution, which was referred to the House Calendar and ordered printed:

#### House Resolution 437

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11365, a bill relating to the filing of copies of income returns, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommend, with or without instructions.

#### THE DAIRY INDUSTRY

The SPEAKER. Under the special order, the Chair recognizes the gentleman from Wisconsin [Mr. BOILEAU] for 20 minutes.

Mr. BOILEAU. Mr. Speaker, yesterday the gentleman from Ohio [Mr. HARLAN] made certain references to the dairy industry, which I cannot let go unchallenged. The distinguished gentleman from Ohio is one of the industrious and hard-working Members of the House, and has, I am sure, very ably represented his individual district, the principal city of which is Dayton. I can readily understand why he and I have a different viewpoint with reference to

the beneficial effects of the so-called reciprocal trade agreements. In view of the fact that the gentleman from Ohio, who resides at Dayton, took occasion to give the impression to the House that the dairy industry of the country is making an unjustifiable complaint against the trade agreements, I thought it only fair to analyze his own particular district with reference to any benefits that the reciprocal trade agreements might have bestowed upon the people living in his district. I noticed that in the city of Dayton, Ohio, there are many large manufacturing establishments. This morning I called up the Commercial Intelligence Bureau of the Bureau of Foreign and Domestic Commerce of the Department of Commerce to ascertain from them which were the largest industries in Dayton, Ohio. They gave me a list of those industries that do a business of \$500,000 or more annually, a list of 20 industries. We find that one of the principal industries is the paper industry, and along with that the printing industry, the printing of account books, stationery, and so forth. Then, too, they manufacture many boilers and stokers, golf supplies, steel, shock absorbers for automobiles, billing machines, Frigidaires, fire-extinguishing equipment and apparatus, proprietary medicines, paints, optical goods, oxygen and acetylene, ice plants, malleable iron, pumps of all kinds, rubber goods including automobile tires, cash registers, scales, internal-combustion engines, and taximeters. Those, I am informed, are the principal industries of that city, and I say to you that practically each and every item that is listed as a principal industry of the city of Dayton benefits directly from the Canadian and other reciprocal trade agreements.

I say to the distinguished gentleman from Ohio that I do not blame him for having a sympathetic feeling for these trade agreements, because if he wrote the trade agreements himself he could hardly have given better consideration to his constituents than they received under the provisions of the reciprocal trade agreement with Canada. Practically all of the industries are beneficiaries of reduced rates that are paid upon the exportation of those commodities into Canada. The Netherlands agreement, the Swiss trade agreement, and the Brazilian trade agreement also give some consideration to the products manufactured within the district, but, in view of the fact that yesterday most of the discussion was with reference to the Canadian agreement, I took occasion to check those items more particularly than the others. If the gentleman from Ohio can give us the name of the persons who wrote the Canadian trade agreement, those who participated in the negotiations on the part of the American Government, I believe it would be of interest, because certainly they were at least friendly to the industries of Dayton, Ohio.

Mr. Speaker, I find no fault with that. If the gentleman's industries receive some benefits, I find no fault with it. I am glad that there is something in the agreements which will help him and his district, but when at the same time the dairy industry is being traded off for the manufacturing industry, then we representing the dairymen strongly protest and make our position very clear on the floor of this House, and to the entire country.

The gentleman in the early part of his remarks referred to a petition now lying on the Speaker's desk and said—and I am sure he is substantially correct—that this petition is designed to bring a bill out on the floor of the House that would increase the tariff on the importations of dairy products and poultry. He stated that it would increase the tariff rates from two to two and one-third times. That is absolutely correct, and we of the dairy industry make no apology for our attitude in that regard, and when he says that we would, if we could, have a complete embargo on the importation of dairy products, I agree with him again and say that that is exactly what we would want. Who is more entitled to the American market for dairy products than American dairy farmers? He made this statement:

This industry has seen the wholesale price of butter, cheese, live cattle, hides, and beef more than doubled in the past 3 years, and the wholesale price of milk increase 66 cents a gallon.



I know the gentleman meant to be accurate, but I say to the membership of the House that the statement that the wholesale price of milk has increased 66 cents a gallon is absolutely erroneous. There is no foundation for such a statement. As a matter of fact, we are only receiving in this country at the present time an average of about 16 cents a gallon.

Mr. HARLAN. Will the gentleman yield?

Mr. BOILEAU. I will be glad to yield to the gentleman.

Mr. HARLAN. The statement should have been 66 cents per hundred pounds.

Mr. BOILEAU. The gentleman's statement was 66 cents a gallon. I knew he must have been in error, and I am glad that he took occasion to correct that statement.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. O'CONNOR. I listened to the gentleman from Ohio very attentively, and he did not make that statement on the floor. He did not say "gallon." He said "66 cents." He did not even say "per hundred."

Mr. BOILEAU. I do not want to take an unfair advantage of the gentleman. I am willing to accept his explanation of it. There is no question but what 66 cents a gallon is away out of reach, but that is the statement attributed to him in the RECORD.

Mr. KNUTSON. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. KNUTSON. Any increases that have been reflected in the prices of agricultural products have been more than offset by the reduced buying power of the dollar?

Mr. BOILEAU. I think so.

Mr. KNUTSON. According to recent Government figures, agricultural prices are 13 percent below what they were in 1932, based upon the buying power of the dollar.

Mr. BOILEAU. I must proceed with my statement.

The gentleman from Ohio makes the point that we are urging the House to sign this petition to discharge the Hull bill. It is true that the effect of that bill would be to double the tariff, but we are doing that in our fight for self-preservation. My distinguished colleague the gentleman from Wisconsin [Mr. HULL] filed that bill because he felt it was necessary to have that protection from the importation of dairy products. Under the reciprocal trade agreements the President can cause the tariff to be reduced by half. If we double the tariff on dairy products, at least we will not be in any danger of having it lowered below what the tariffs are at present. Unless we take such precautions we are going to see a gradual reduction in the tariff on dairy products, because in the trade agreements that have already been promulgated and entered into with dairying countries they have already reduced the tariff on dairy commodities brought into this country.

The Canadian treaty reduced the tariff on Cheddar cheese from 7 cents to 5 cents. The Swiss trade agreement reduced the tariff on Swiss and other types of cheese from 7 cents to 5 cents. So that, generally speaking, the tariff has been reduced from 7 cents to 5 cents on cheese coming in from every country in the world. Swiss cheese is not produced only in this country and in Switzerland but it is also produced in Germany, in Lithuania, in Finland, and the Netherlands. Other countries producing a considerable amount of Cheddar and Swiss cheese will also have the privilege of bringing their cheese in here at the reduced rate.

What has been the effect of these reciprocal trade agreements thus far? I do not know if the reciprocal trade agreement is the only cause for the reduction in the price of cheese since the 1st of January, but I do know that the price of cheese has been reduced 3 cents a pound, approximately, since the 1st of January. It is quite generally rumored among those interested in dairying that certain large processors of cheese in this country, immediately after we negotiated the treaty with Canada, entered into contracts with Canadian producers to import millions of pounds of Cheddar or American cheese to this country at 2 cents below the market price. Whether that is true or not I am unable at this time to say. I do say, however, that it is quite generally

understood among the dairy interests of the country that such a thing has happened, and because the dairy industry believes it has happened, because of the fact that those people who buy cheese from the factory, the grinders who buy this Cheddar cheese for processing purposes and put it up in small boxes and sell it to you at several times what it costs them, have quite generally had it brought to their attention that they can buy cheese 2 cents a pound cheaper in Canada than formerly; as a result of the reciprocal trade agreement the price of cheese has gone down.

Mr. SNELL. Will the gentleman yield for a short question?

Mr. BOILEAU. I yield.

Mr. SNELL. Under usual conditions in this country, during the months of January and February the price of cheese usually goes up, if it changes at all?

Mr. BOILEAU. The gentleman is absolutely correct. This is the time of the year when we have an increase in price, and you will soon see large importations of dairy products, which will then force down the domestic price.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. BOILEAU. Briefly; but I must conclude my statement.

Mr. BANKHEAD. I did not object to the gentleman having this time, because I thought he was entitled to it in order to reply to the gentleman from Ohio [Mr. HARLAN].

Mr. BOILEAU. I yield for a question.

Mr. BANKHEAD. Is it not a fact that the price of cheese, after the enforcement of the reciprocal-trade treaty, is higher than it was a year ago, before this treaty was in effect?

Mr. BOILEAU. Yes. I will say to the gentleman I think it is. I would not say it is higher, but I would say it is about the same price. I am not positive. The price of cheese in the Chicago market today is 15.2 cents a pound.

Mr. BANKHEAD. And what was it in January 1935?

Mr. BOILEAU. I am sorry, but I do not have the figure for January a year ago with me at this time.

Mr. BANKHEAD. The gentleman does not deny, however, that it is higher now than it was then?

Mr. BOILEAU. I say I do not believe it is higher, but I believe it is about the same. There is not much of a reduction; but the fact remains that it is 3 cents a pound less than it was in December of this year. That is the important thing. That is the important part of the situation, and this is the time of the year when such prices should be on the increase.

Now, the gentleman from Ohio [Mr. HARLAN] used a great deal of his time in stating that the prices of dairy products are higher now than they were 3 years ago. I have here the figures showing that the price of butter on May 15, 1933, was 19.9 cents a pound. These are farm prices and not market prices. On January 15, 1933, the price of butter was 29.7 cents a pound. The market price at Chicago today—not the farm price but the Chicago price—is approximately 35½ cents.

The gentleman from Ohio also said that the price of dairy products had more than doubled during the last 3 years. I do not believe that is an accurate statement. At least, according to the figures I have just quoted, which are provided by the United States Department of Agriculture, a different situation is shown. Any increase in price was the direct result of the drought, which removed the accumulated surpluses. However, I want to call to your attention that other commodity prices all the way down the line increased in the same proportion. Wheat, corn, hogs, cotton, tobacco, all increased in price as much as did the price of dairy products. In addition to that, in addition to this increase in the market price, the producers of those other commodities received hundreds of millions of dollars from the Treasury of the United States as a result of the Agriculture Adjustment Act program.

I want to call to your attention the fact that in addition to the increased price received for these commodities during the period the A. A. A. was in operation and up to December 31, 1935, the corn-hog farmers had received in benefit pay-

ments \$597,000,000; the cotton farmers, \$333,500,000; the wheat farmers, \$255,500,000; the tobacco farmers, \$53,250,000. So that in addition to the increased prices that were received by the growers of these other commodities they received these millions and millions of dollars as a result of the Agricultural Adjustment Act, and thus were far better off than the dairy industry. It is true prices for dairy commodities were increased, but they were not increased in proportion any greater than the price of any other commodity, and the increase was not as great, when you figure in the payments made under the Agricultural Adjustment Act, as was the increase with respect to other agricultural commodities.

Mr. HARLAN. Mr. Speaker, will the gentleman yield for a question?

Mr. BOILEAU. I yield for a brief question.

Mr. HARLAN. The gentleman, of course, is familiar with the fact that the Department of Commerce has statistics showing the ratio between farm prices and industrial prices, and that during the last 3 years this ratio has been constantly increasing in favor of the farmers, including the dairy farmers.

Mr. BOILEAU. Yes; there is no question but that dairymen are better off than they were 3 years ago, but so are all other industries.

Mr. HARLAN. The ratio is more in favor of the farmers.

Mr. BOILEAU. Not the dairy farmers. But do not forget we have to milk our cows regardless of the price of dairy products. No matter what the price of cream or butter, we have to milk our cows day after day; but they do not have to make refrigerators or scales in Dayton, Ohio; these plants can close down. So if you compare the income your manufacturers received during these depression years with the more favorable conditions prevailing at the present time, you will find by comparison a much better and more healthy situation in Dayton, Ohio, than you will on the dairy farms of the country.

The gentleman thought we must worry about our exports. Why, we are not on an export basis in dairy products. It is true we do export a little. In 1934 we exported \$5,194,000 worth of dairy products. In 1935 we exported only \$4,533,000. In other words, our exports decreased in 1935, whereas our imports increased. In 1934 we imported \$11,007,709 worth of dairy products. In 1935 we imported \$15,262,388 worth of dairy products. In other words, in 1935, as compared with 1934, there was a substantial increase in the importation of dairy products; and now with these reciprocal trade agreements coming into effect we can expect only one thing, and that is a much larger increase in the importation of dairy products, particularly in the case of cheese and cream.

It has been said on the floor oftentimes that the provision of the Canadian trade agreement under which a quota was fixed for the importation of cream in the amount of 1,500,000 gallons a year is insignificant. I want to say to those gentlemen who have made such statements that the 1,500,000 gallons of cream will practically all come from Canada and go into the eastern markets. It will go to the New York market, to the Boston and the Philadelphia markets. It goes into these markets during that time of the year when the local dairymen of those sections are unable to provide a sufficient amount of cream.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. O'CONNOR. If there is a shortage of cream in New York City—and it is used principally in industry, it is not drunk, not even in coffee, but it is used in the manufacture of ice cream—would the gentleman permit this shortage to continue instead of allowing cream to be imported?

Mr. BOILEAU. I may say to the gentleman from New York that during those times of the year when you in New

York, Philadelphia, and Boston cannot obtain a sufficient supply of cream from your local producers, you have heretofore obtained it from the Middle West and the South. In other words, during those times of the year when you have a shortage you have purchased about 336,000 cans of 10 gallons each, or about 3,360,000 gallons of cream from the Middle West and the South; but now with this Canadian trade agreement, instead of the Middle West and the South supplying this shortage when you need it you will get it from Canada, and you will be robbing the Middle West and South of just about half its cream market. In other words, this trade agreement robs the Middle West and the South of about half of their eastern market for cream, a market that rightfully belongs to American dairymen.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Briefly.

Mr. O'CONNOR. It is a subject with which I have had a great deal of experience. We have got cream from Wisconsin, the Middle West, and the South, but also there have been times when we could not get enough cream from authorized sources that would meet our standards.

Mr. BOILEAU. May I say to the gentleman that the inspection standards of the Middle West are just as high and perhaps higher than they are in Canada. I may also say to the gentleman that the State of Wisconsin has a higher number of tubercular-free cattle than any other State in the Union, and our herds are practically all free of tubercular-infected cattle. Wisconsin has strict sanitary regulations, and we can produce all of the cream that is needed in the East over and above your local supply. We can supply all of the high-grade cream and high-grade milk you people need in addition to your local supply.

Mr. O'CONNOR. I am not talking about the gentleman's State particularly. There are many States which do not meet our standards. I may also state that there has been bootlegging in cream of a substandard, which New York has had to cope with year after year.

Mr. BOILEAU. That is true. Some sections have not in the past and do not now have the proper inspection standards. But there is an adequate supply of cream in this country which will meet the test of New York without going to Canada. We dairymen in this country have a right to that market. We of Wisconsin and the Middle West patronize the East, and the East should patronize us. We should have such part of the eastern market as cannot be supplied by local dairymen. [Applause.]

Mr. TABER. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman believe any State is farther behind than Canada?

Mr. BOILEAU. I do not believe so. I believe our dairy industry in this country is up to the standard of Canada and higher than that standard.

Mr. STEFAN. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Nebraska.

Mr. STEFAN. Does the gentleman know whether or not the cream that is imported from Canada comes from tuberculin-tested cows up there?

Mr. BOILEAU. I am not so sure about the cream that comes in because of the Taber-Linwood Act that was passed a few years ago; but I do say that many of the dairy products of Canada do not compare favorably with ours so far as their manufacture under sanitary conditions is concerned.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Washington.

Mr. ZIONCHECK. The gentleman from New York referred to ice-cream plants using cream. As a matter of fact, they do not use very much cream. They use a composition now.

Mr. BOILEAU. That is true to some extent.

Mr. ZIONCHECK. And that situation exists in New York City, too.

Mr. BOILEAU. Mr. Speaker, there is a provision in the Canadian treaty, though, that does give some concession to



the dairy industry. It reduces the tariff from 14 to 12 cents on butter, but that is such a ridiculous proposition it should not have serious consideration. I cannot see why they have that provision in the agreement at all. The price of butter in Montreal today is 22½ cents. The price of butter on the Chicago market is 35½ cents. In other words, Canada will reduce its tariff on butter to 12 cents per pound, which means that the price of butter in this country must drop down to 10 cents before we could afford to ship any butter at all into Canada. So it is ridiculous to assume that we will ever get any benefit out of this silly provision that has been incorporated in the agreement.

I cannot see why that provision was put in there unless they thought that the dairymen were gullible enough to accept that as being a benefit under the trade agreement.

Mr. Speaker, in conclusion, I want to say that we of the dairy industry feel we are entitled to any protection from importations that the Government can give us. We feel that we should not be further subjected to these ruinous provisions contained in the reciprocal trade agreements which have demoralized the price of butter, cheese, and other dairy products.

[Here the gavel fell.]

#### DISTRICT OF COLUMBIA APPROPRIATION BILL, 1937

Mr. BLANTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such district for the fiscal year ending June 30, 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the District of Columbia appropriation bill, with Mr. NELSON in the chair.

The Clerk read the title of the bill.

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I appreciate it is unpopular, and always has been, to talk about the District of Columbia appropriation bill at all. I appreciate that those Members of the House who give of their very best in an attempt to solve the problems of the District generally receive nothing but knocks. I can remember ever since I became a Member of the House that every chairman of a District of Columbia appropriations subcommittee has been berated by the local press and by different organizations of the District. I can remember when the Honorable CARL MAPES, of Michigan, than whom there is no abler nor better-minded Member of this House [applause] spent the biggest part of a year, including almost all of one summer, in attempting to work out the District problems and to put fair and honest taxation upon them. When the bill passed this House, almost unanimously, there was a storm of protest raised, not on the merits of the bills, but because there was an attempt to put a fair part of the burden of taxation upon the property of the District. They were defeated in the Senate.

The subcommittee has brought in a District of Columbia appropriation bill. When I was requested as the ranking Republican member of the Committee on Appropriations to make a suggestion for a Republican member of that subcommittee I looked over my list of members with the idea of selecting the best man I could get for this job. I selected the Honorable WILLIAM DITTER, of Pennsylvania [applause], because I believed that he could do the job, and do it as well as any man that I had to present. This committee, headed by the gentleman from Texas [Mr. BLANTON], who has given long years of service and long years of study to District problems, has brought in its report. Everywhere I have seen articles indicating that the daylights have been cut out of the District of Columbia funds. Now, I want the Members to listen for a moment while I state one or two of the facts. I have not had the opportunity to go over every word of the hearings, so I would not want to get up here on the floor and attempt to justify the bill right

down the line from beginning to end; but I do want the Members of the House and the people of the District of Columbia to know what this committee has done for them.

May I say that as a whole this bill appropriates \$1,650,210 more than was appropriated in last year's bill. May I say further that it appropriates \$908,283 more than the estimates of the Budget for that particular proposition. May I say further that I believe insofar as they were able the committee has studied the situation in the District of Columbia from the standpoint of its merits, and whatever cuts have been recommended were because the committee believed the money was not necessary for the interest of the District of Columbia.

Whatever increases they have recommended have been because they felt there was an absolute need for the money which they are recommending.

I shall not say I agree with every single item in the bill, I shall not say that every single thing in the bill is as I would have it but I will say that I believe the members of this committee have given most conscientious and thorough study to the bill and have done their very best in making this report, and that I hope the membership of the House, when they come to consider the bill, will pay enough tribute to these men who have rendered this service to consider the various items fairly upon the evidence and upon the statements of fact that these men can give you.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. SNELL. I am not an expert on District matters, but the gentleman spoke about the criticisms of the newspapers. The criticisms I have read that really impressed me are with respect to such matters as health and related subjects in the District of Columbia which they have to pay for themselves and which they want and are willing to pay for. If this is true, why should we not give them a reasonable amount? I am just talking offhand and do not know the facts, and for this reason I am asking for the gentleman's ideas along this line.

Mr. TABER. As to the matter of health, I am going to make two or three comments on that. The items for health are \$9,970 above last year's estimate. There is a Budget cut of \$23,800. This, I believe, has been due to situations where the committee believed money was not being efficiently spent. These are details that I think should better be gone into as the particular items are reached. Just the exact reason for each cut or each increase I would not attempt to give, but I think in general we can say that with this picture of almost \$10,000 above last year's Budget, the committee has not been unfriendly to the District.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. BLANTON. Answering our distinguished minority leader on the question of health, the main criticism was with respect to tuberculosis hospital facilities. The uncontroverted evidence of the hospital superintendents and of Mr. Street, who is at the head of public welfare, was that in the Children's Hospital now there are 120 beds and only 117 of them are occupied. There are three vacancies ready for children at any time they may come. In the Upshur Street adult hospital there are 227 beds occupied, and Mr. Street testified there were only 30 adults on the waiting list. In 60 days, when the new Children's Hospital is opened up, we will have 300 beds for tubercular children. In the Galinger Hospital we will have 250 beds available for tuberculars. In the new Glendale Hospital, which will be opened between now and the 1st of January, there will be 396 new beds, one of the finest tuberculosis hospitals in the world.

This is the reason the President's Budget did not provide for the maintenance of the Upshur Street Hospital after we open up Glendale. It will not be necessary, and we will have in Washington nearly twice as many beds as the present hospitalization facilities furnish plus those on the waiting list. This is the reason our committee backed up the President's Budget on this item, I will say to my friend from New York,

Mr. TABER. There is also provision for construction of school buildings of approximately \$1,500,000.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. THURSTON. With regard to the alleged unfair attitude of Congress regarding the District of Columbia, I want to ask the gentleman if it is not true that the Government pays for the maintenance and care of the wonderful park system they have in this city?

Mr. TABER. Yes.

Mr. THURSTON. And the three great bands, the Marine, Army, and Navy Bands, which furnish music for public occasions in the District of Columbia, for which the Federal Government pays.

Mr. TABER. And back home the folks in the towns themselves have to pay for such music.

Mr. THURSTON. So in these respects the District has an advantage over every other municipality in our country.

Mr. TABER. Yes.

Mr. BANKHEAD. I was very pleased to hear the gentleman yield?

Mr. TABER. I yield.

Mr. BANKHEAD. I was very pleased to hear the gentleman's commendation of the work of this committee and his approval of the soundness of their conclusions with respect to all the items in this bill. Of course, the gentleman has not gone into the details of the bill as the members of the subcommittee have, but from the gentleman's knowledge of the measure, is it his opinion that every item in this bill affecting the interests of the District taxpayers provides for a public service up to the limit of reason and justice?

Mr. TABER. The gentleman puts me in a position where I do not know enough about the details of every item to answer the question directly, but I believe the committee has tried to make such provision. I believe they have used their very best judgment in doing so, because I know the type of men who are on this committee. I know BILL DITTER would not bring in a report that he did not believe he could justify, and I know that the gentleman from Texas [Mr. BLANTON] would not do anything of that kind.

Mr. BANKHEAD. I may say to the gentleman that that is also my judgment about it, and I trust that when we come to the question of possible amendments to this bill, what the gentleman has said with reference to the sound judgment of this committee on these problems will be considered before we attempt to increase the amount carried in the bill with respect to any item.

Mr. TABER. May I say to the gentleman that he and I may have differences as to the exact amounts, but I do not believe that there is a single item here which has not been treated just as fairly as it could be.

Now, I want to talk about something else for a few moments. The President of the United States sent in a tax message the other day, and in that message he asked for additional items in taxes which, as I remember the figures, run to something like \$1,137,000,000. These items of taxes were divided between taxes on corporations and processing taxes and different types of income taxes according to the suggestion of the President.

The tax on incomes was suggested to be a tax on business surpluses of corporations. Frankly, I believe this tax would not produce any money because it would force corporations to dispose of these surpluses and the corporations would not have them to use for the necessary steps for recovery if we had a depression, and the necessary strength to enable them to survive. The result of such a policy would mean that every time we had a depression and they did not have the surplus to help them through, every one would go into bankruptcy.

In effect the processing tax would be a direct burden upon the poor, because they are the people who eat most of it.

(The time of Mr. TABER having expired, he was given 3 minutes more.)

Mr. TABER. I do not believe we ought to go into that sort of a thing. If there is a surplus of commodities, the

price is reduced to the producer, and if there is a shortage it is increased to the consumer, and that is the way that works. I do not believe that we should go into that.

But, worse than that, is the policy of increasing the expenditures of the Government. [Applause.] Now, just about the time that the President's message arrived, the Interior Department appropriation bill was reported back to the House with an increase of \$62,000,000 above what it was when it left the House of Representatives.

The most of that increase was for reclamation projects, which are useless and unnecessary, and which the House committee refused to consider. We have that from the chairman of the House subcommittee himself.

Worse than that—and I am not going into this in detail, but I will do it later—worse than that, they added authorizations for the construction of 7, 8, or 10 projects, and among them one of the worst was the Grand Lake Big Thompson project—a \$22,000,000 project to dig a canal for 13 miles under a mountain 10,000 feet high to irrigate a lot of land many miles away.

That would go under a mountain at least eight or nine thousand feet high on the average for miles. That is one of the most ridiculous things I ever heard of. The estimated cost after a superficial survey, without any drilling to determine the character of the excavation, would run up to \$22,000,000. Unquestionably, the tunnel alone would cost \$18,000,000, and this whole project would cost probably \$30,000,000 or \$40,000,000 before they got through. The unsoundness of more reclamation projects at this time, when we ought not to have them, and ought to save the money, when we have an agricultural surplus, seems to me to urge us to insist upon the House position. [Applause.]

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I want in this somewhat limited time to discuss the President's recent tax message. On January 3, 1936, the President sent in his annual Budget message, in which he said, "We are approaching the balancing of the Budget", but that there was a deficit of \$1,098,000,000. The other day he sent in a tax message in which he stated that in his last Budget message the Budget was balanced. I merely wish to correct the Record and say that he made no such statement at that time, and read into the Record just what the President had to say in his annual Budget message:

To state the case even more precisely, the gross deficit of the Government in 1934 was \$3,989,000,000; in 1935, \$3,575,000,000; in 1936, estimated, \$3,234,000,000; and in 1937, estimated, but not including any new appropriations for work relief, \$1,098,000,000.

I believe at that time that I took the floor and pointed out that that so-called Budget message was a hollow mockery, and a political sham, in the fact that it did not include anything for the relief, which is estimated at between one and two billion dollars, and it included nothing for adjusted-service certificates, which everyone knew would be paid by the Congress, although we cannot blame the President for that, and it included nothing for the return of processing taxes, which the Supreme Court held unconstitutional that very day. The President now comes in with another message that is equally fallacious and equally deceptive. Evidently it is another political attempt to escape the consequences of taxing people of small incomes and of moderate incomes, and to try to make the wage earner, farmer, small business and professional men and women believe that no more taxes will be imposed on them. Who is going to pay for the \$15,000,000,000 deficit? The President has not even yet sent in his figures for relief, which may amount to one or two billion dollars more, and yet he sends in this kind of a message that is hard for anyone to understand, in which he proposes to take the undistributed surpluses of big corporations and pass them on as dividends to the people, who then will pay additional income taxes. It is just another form of soaking and swatting the rich. I am not here to defend a few rich men. I have been a liberal in politics all my life. I believe the rich should bear a fair burden of taxation, but, as I pointed out in the old "swat and soak the



rich" tax bill, in which you singled out 56 rich men and soaked them 75 percent of their income, you would not receive very much in the way of increased revenues.

In States like California there is an additional State tax of 20 percent of the Federal income tax, making 15 percent more, making 90 percent; and in addition to that there are real-estate, county, and city taxes, school taxes, sale taxes, gasoline taxes, and dog taxes. I estimated that in the State of California these taxes would approximate 101 percent of the income. It is quite evident that the breathing spell is now over. Business is told it was to be let alone, it was to have a breathing spell. It is the same kind of breathing spell that the cat gives the mouse—it plays with the mouse for a while until it gets ready to strangle it to death. So we are off now on another attack on business, and upon the big taxpayer, upon wealth, and actually upon private property and industry generally.

Mr. Chairman, what is the big issue in this country? It is reemployment of labor. It cuts across both party lines. It is the outstanding issue. We Republicans would not have a chance, we would not even have a right to criticize the New Deal if you had put ten or eleven million men back to work even at an expense of \$15,000,000,000. If you had done that, you would have been justified, and we could not have criticized the New Deal, but here again you come in and seek to destroy business confidence. The main factor in the employment of labor, in the depression and throughout the depression, has been the reserves of the big corporations, so that they could continue to operate and employ labor at the American standard of wages and living. Now it is proposed not only to wipe out the surpluses, but the reserves—or at least to tax the reserves—I am not opposed to taxing some of the surpluses. Probably there are a few big corporations where they should be taxed, where they are excessive and exorbitant, and they should be singled out and should be distributed, but do not attack all business and all industry and destroy business confidence and promote further unemployment of labor in a further attempt to soak and swat the rich. What is behind it? Simply an attempt to escape telling the people the truth, that the people have to pay the bills, the people of moderate means and small means. It is an effort to keep on soaking the rich and singling them out so that this grand old political game will go on until after election day, then the turn of the small taxpayer and those of moderate means will come, no matter what administration is in power. When you singled out 56 rich men and soaked them to the limit in the last tax bill, you brought in only \$250,000,000, enough to run the New Deal just 10 days. You only succeeded in driving big wealth into tax-exempt securities and out of the country to compete with American labor. You drove it out of the free flow of capital to expand industry and employ labor and the net result was that all you brought in was \$250,000,000. The idea was really stolen from the proposals made by Senator Huey Long.

You remember what he said to the people over the radio. He said, "I propose to distribute wealth. I am going to give the needy people \$5,000, a house, a Ford car, and a cow." The President, listening in to this appealing experiment, called in the "brain trusters" and he said, "Write me a bill that will go further than that proposed by Senator Long to distribute wealth." What really happened was that the President found Senator Long in swimming and stole his clothes. So they wrote that bill, soaking and swatting the rich, which was nothing but confiscation, socialism, and highway robbery all wrapped up in one.

Mr. MAVERICK. Will the gentleman yield?

Mr. FISH. I yield.

Mr. MAVERICK. I understand the gentleman is going to speak on the radio in answer to Earl Browder. Does the gentleman think that Earl Browder should be kept off the radio? I realize I am asking an irrelevant question, and I will not ask the gentleman to answer it if he does not want to.

Mr. FISH. I will answer the question, because it was raised in the House yesterday. I intend to answer it in detail over the radio tomorrow night.

I believe in freedom of speech, and as long as the Communist Party is a recognized political party by the various States of the Union, and goes on the ballot, I do not see how, in all fairness, they can be kept off the radio. On the other hand, I am going to point out that I do not believe the Communist Party is an American Party [applause], but that it is merely a section of the Communist International at Moscow, taking all of its orders from Moscow, and that it should be declared illegal by the different States of the Union and kept off the ballot. [Applause.]

Mr. CURLEY. Will the gentleman yield?

Mr. FISH. I yield.

Mr. CURLEY. As a matter of fact, the gentleman will acknowledge the fact, in view of the statement he has made, that it is merely a subterfuge for the Third Internationale, and is antagonistic to every institution of the United States Government and against the provisions of its Constitution. Is that not a fact?

Mr. FISH. It is absolutely a fact, but it is not the concern of the Federal Government. It is a matter for the States. They determine what political party goes on the ballot, and as long as they permit them to go on the ballot their spokesmen ought to have the right to be heard.

Mr. CURLEY. Will the gentleman yield further for a question?

Mr. FISH. Not now. Earl Browder is speaking tonight and I am going to speak tomorrow night, and I will cover all that ground.

Mr. MAVERICK. The gentleman feels that he can take care of himself all right? The gentleman can take care of Earl Browder, can he not?

Mr. FISH. I never doubted it.

Mr. MAVERICK. And I do not doubt it either. [Applause.]

Mr. FISH. Now, I only took time today to point out that the American people back home are being fooled. It does not make any difference who comes into power, the Republicans or the Democrats, they have to pay the bill. The New Deal "goes 'round and 'round and 'round and comes out", where? Out of the pocketbooks of the taxpayers. You have soaked the rich and you have raised only \$250,000,000. Who is going to pay the other \$15,000,000,000 deficit?

Mr. CURLEY. Will the gentleman yield for a question?

Mr. FISH. Not now; no. All you do is drive wealth into tax-exempt securities where the big fellows get protection. You are not soaking them. It is the little fellow who is going to pay the bill, but nobody wants to tell him the truth, or dares tell him the truth, that he is going to be lined up, no matter who wins, Republicans or Democrats, after election day, and he is going to be soaked and swatted and robbed and have his pockets picked with income taxes, consumers' taxes, and taxes of all kinds. I am tired of listening to this kind of baloney Budget message, talking about balancing the Budget, when it is nowhere near being balanced. Now, you propose to pick out some rich taxpayers and say, "There are some hidden assets left in the big corporations and we will take those and we will soak them." Just as soon as you begin soaking the rich, as you have already started to do, they go into tax-exempt securities and you get almost nothing at all. Let the people back home know in this campaign what is going to happen to them. Then they will become tax conscious. They will be able to understand the issues; but let us stop telling them that you are going to soak the rich and you are going to distribute the profits of some big corporations, when, as a matter of fact, in the depression the reserve and undivided surplus was the greatest single factor of safety and provided for the employment of American labor throughout the depression.

Let the Congress, which writes revenue legislation—not the President—be fair and honest. If you are going to put through a tax bill, let us first start to do away with tax-exempt securities. [Applause.] That ought to be the first step. Then proceed to write an honest bill, have a manufacturers' sales tax, collect it at the source; increase income taxes up and down the line. That is the only way to balance the Budget through taxation. That is the only way to meet this \$15,000,000,000 deficit. The other way is to stop squandering the people's money. [Applause.]

If you do not provide for increased taxes and retrenchment, you will inevitably be confronted with inflation, bankruptcy, or repudiation. No thinking Member of Congress wants bankruptcy or repudiation. We have got to meet the mounting deficit with taxes. There is no other way to meet it except on an honest and fair basis. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein in the RECORD a copy of the Frazier-Lemke refinance bill and the report of the Committee on Agriculture.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Chairman, under the leave to extend my remarks in the RECORD, I include a copy of the Frazier-Lemke refinance bill and the report on the bill by the House Agricultural Committee. I do this because this bill is misunderstood and misrepresented:

A bill (H. R. 2066) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve banking system, and creating a Board of Agriculture to supervise the same

*Be it enacted, etc., That this act shall be known by the title "The Farmers' Farm Relief Act."*

SEC. 2. That the Government now perform its solemn promise and duty and place American agriculture on a basis of equality with other industries by providing an adequate system of credit, through which farm indebtedness and farm mortgages now existing may be liquidated and refinanced through real-estate mortgages on the amortization plan, at 1½-percent interest and 1½-percent principal per annum, and through mortgages on livestock used for breeding or agricultural purposes at 3-percent interest per annum through the use of the machinery of the Farm Credit Administration and the Federal Reserve banking system.

SEC. 3. Farm Credit Administration is hereby authorized and directed to liquidate, refinance, and take up farm mortgages and other farm indebtedness, existing at the date of enactment of this act, by making real-estate loans, secured by first mortgages on farms, to an amount equal to the fair value of such farms and 75 percent of the value of insurable buildings and improvements thereon, through the use of the machinery of the Federal land banks and national farm-loan associations, and to make all necessary rules and regulations for the carrying out of the purposes of this act with expedition. In case such farm mortgages and other farm indebtedness to be liquidated and refinanced exceed the fair value of any farm and 75 percent of the value of insurable buildings and improvements thereon, then such farm mortgages and indebtedness shall be scaled down in accordance with the provisions of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto. Such loans shall be made at a rate of 1½-percent interest and 1½-percent principal per annum, payable in any lawful money of the United States.

SEC. 4. The Farm Credit Administration is further authorized and directed to liquidate, refinance, and take up chattel mortgages and other farm indebtedness, existing at the date of enactment of this act, by making loans at the rate of 3-percent interest per annum, secured by first mortgages on livestock, to an amount equal to 65 percent of the fair market value thereof, such loans to run for a period of 1 year, with right of renewal from year to year for a term of 10 years: *Provided*, That any depreciation in the value of such livestock is replaced by additional livestock, and the amount of the loan is reduced 10 percent each year.

SEC. 5. There is hereby authorized to be appropriated, out of any money not otherwise appropriated, \$100,000 for the use of the Farm Credit Administration to carry out the provisions of this act. The necessary and actual expenses incurred in carrying out the provisions of this act shall be apportioned and prorated and added to each individual mortgage and such sums so added shall be paid to the Farm Credit Administration for administrative purposes.

SEC. 6. The funds with which to liquidate and refinance existing farm mortgages and other farm indebtedness shall be provided by the issuing of farm-loan bonds by the Farm Credit Administration, through the Land Bank Commissioner and Federal land banks, as now provided by law, which bonds shall bear interest at the rate of 1½ percent per annum, if secured by mortgages on farms, and 3 percent per annum if secured by chattel mortgages on livestock. These bonds, after delivery to the Farm Credit Administration, may, by it, be sold at not less than par to any individual or corporation, or to any State, National, or Federal Reserve bank, or to the Treasurer of the United States. And it shall be the duty of the Federal Reserve and national banks to invest their available surplus and net profits, after the dividends are paid to their stockholders, in such farm-loan bonds.

SEC. 7. In case all of said farm-loan bonds are not readily purchased, then the Land Bank Commissioner shall present the remainder to the Federal Reserve Board, and the Board shall forthwith cause to be issued and delivered to the Land Bank Commissioner Federal Reserve notes to an amount equal to the par value of such bonds as are presented to it. Such farm-loan bonds to be held by the Federal Reserve Board as security in lieu of any other security or reserve. The outstanding Federal Reserve notes issued under this act shall at no time exceed \$3,000,000,000.

SEC. 8. The Farm Credit Administration and the Federal land banks shall turn over all payments of interest and principal on such farm-loan bonds for which the Federal Reserve Board issues Federal Reserve notes to the Treasurer of the United States, and shall be by him kept for the purpose of redeeming said Federal Reserve notes and shall be reinvested by him as a sinking fund in farm-loan bonds issued under the provision of this act.

SEC. 9. Whenever the amount of money issued under this act shall exceed \$25 per capita, then the Treasurer of the United States, by and with the approval of the Federal Reserve Board and the President of the United States, may retire Federal Reserve notes in an amount equal to the principal paid on farm-loan bonds for which Federal Reserve notes were issued, not to exceed 2 percent in any 1 year of the amount of Federal Reserve notes so issued.

SEC. 10. There is hereby created a Board of Agriculture consisting of one member from each State, elected by the farmers of such State, who shall be elected by delegates selected by a mass convention of farmers in each county or parish within the United States who are indebted and declare it to be their intention to take advantage of this act, such county or parish convention to be its own judge as to who are bona-fide farmers and otherwise eligible to participate in its proceedings.

SEC. 11. The Farm Credit Administration is hereby authorized and directed to give public notice, through the Federal land banks, to the farmers of each county or parish of the time and place of holding the first county or parish convention, which shall be held at the seat of government of each county or parish; and it shall at the same time give notice of the first convention of the State delegates, to be held at the State capital of each State, notice of such convention to be given within 60 days after the enactment of this act.

SEC. 12. The farmers attending such county or parish convention and the State delegates attending such State convention shall organize and make such rules and regulations for their procedure as they deem necessary or convenient, and shall elect a president and a secretary and make arrangements for such other future conventions as they may deem necessary to carry out the purposes of this act, and they shall at all times cooperate and assist the Board of Agriculture, the Farm Credit Administration, the Federal land banks, and national farm-loan associations to liquidate and refinance farm mortgages and farm indebtedness.

SEC. 13. The State delegates so elected shall meet at the State capitals of their respective States and elect a member of the Board of Agriculture, who shall hold his office from the date of such election and for a period of 2 years from January 20 following, and who shall receive \$15 per diem and necessary traveling expenses while on official business, to be paid by the Farm Credit Administration out of any funds set apart by section 5 of this act.

SEC. 14. Immediately after their election the members of the Board of Agriculture, upon call of the Farm Credit Administration, shall meet at Washington, in the District of Columbia, and organize by electing a chairman and a secretary, and they shall make such rules and regulations as they deem necessary and expedient to carry out the purposes of this act. They shall elect an executive committee of three, none of whom shall be members of the Board of Agriculture, who shall hold their office at the will of said Board, and who shall receive a salary of \$7,500 per annum, and 5 cents per mile for necessary traveling expenses while on official business, to be paid by the Farm Credit Administration out of any funds set apart by section 5 of this act.

SEC. 15. The members of the Board of Agriculture shall keep in touch with and report to the executive committee the progress of liquidating and refinancing farm mortgages and farm indebtedness in their respective States. They shall cooperate with county or parish and State governments, and with all farm and cooperative organizations within their respective States, to speedily bring about the liquidation and refinancing of farm mortgages and farm indebtedness.

SEC. 16. The executive committee of the Board of Agriculture shall advise with and supervise the work of liquidating and refinancing farm mortgages and farm indebtedness by the Farm Credit Administration and the Federal Reserve Board, and they shall cooperate with said boards and with county or parish and State governments and with the various farm organizations, and with the agricultural colleges of the Nation, in order to bring about a just and speedy liquidation and refinancing of farm mortgages and farm indebtedness. They shall report any member of the Farm Credit Administration or the Federal Reserve Board who neglects, hinders, or delays the carrying out of the provisions of this act to the President of the United States, and it shall be the duty of the President, upon cause shown, to remove any such officer and to appoint some other suitable person in his place with the advice and consent of the Senate.

SEC. 17. The benefits of this act shall also extend to any farmer, or member of his family, who lost his or her farm through indebtedness or mortgage foreclosure since 1921, and who desires



to purchase part or all of the farm lost or another like farm. It shall also extend to any tenant, or member of his or her family, who desires to purchase an encumbered farm, provided he or she has lived on and operated a farm as a tenant for at least 2 years prior to the enactment of this act.

SEC. 18. The executive committee of the Board of Agriculture shall have power in case of crop failures, and in other meritorious cases, to extend the time payments due on loans made under this act from time to time for a period not exceeding 3 years, provided the mortgagor keeps up the payment of all taxes on the mortgaged property.

SEC. 19. This act shall be liberally construed, and no technicalities or limitations shall be imposed or permitted to interfere with the speedy carrying out of its purposes; and the provisions of the Farm Credit Administration and the Federal Reserve Banking System shall apply as far as applicable in the carrying out of the provisions of this act; and all laws or parts of laws in conflict herewith are for the purpose of this act repealed. The persons charged with the duty of carrying out the provisions of this act are authorized and directed to do all things necessary or convenient to accomplish its purposes with expedition.

#### REFINANCING OF FARM MORTGAGES

The Committee on Agriculture, to whom was referred the bill (H. R. 2066) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same, having considered the same, report thereon with a recommendation that it do pass.

#### STATEMENT

It must be understood at the outset that the bill is not intended to increase farm indebtedness. If a farmer is out of debt he should not be encouraged to go into debt. The bill is designed to refinance existing farm mortgages at low rates of interest and extend them over a long amortization period so that the farmer can keep a home for himself and his wife and children and not suffer them and him to be cast out by the sheriff. The bill will not increase farm debts. It will, however, come to the relief of worthy farm people who, in the aggregate, number about one-fourth of our entire population.

Facilities for getting the farmer into debt are already quite adequate, but facilities for getting him out of debt are inadequate. It has now become our duty to provide farm credit at such rates and on such terms as will get farmers out of debt. Then, and not until then, will they acquire buying power and be enabled to enter the markets and take part in business activity and in the restoration of prosperity to the whole country and to all classes of people.

The farmer needs lower rates and better terms. The last issue of the Yearbook of Agriculture (1934) points out that while ordinarily a reduction of indebtedness is a favorable sign, nevertheless the small decline in farm indebtedness, which has taken place since 1928, was not the result of normal liquidation but of foreclosures, bankruptcies, and forced sales and of the inability of credit agencies to give that support which is absolutely requisite to recovery. In 1932 one-seventh of the mortgaged farms were encumbered for 75 percent of their value; the mortgage debt represented 40 percent of the value of all mortgaged farms and 25 percent of the value of all farm land and buildings. Because of the drop in farm commodity prices, payment became impossible for great numbers of farmers. About six and one-fourth million of our people are actively engaged in agricultural pursuits and 80,000,000 people depend upon agricultural solvency in order that human souls may stay in human bodies. The system of the Federal land banks may have done some good but it has not been adequate to the situation. State legislatures have been compelled to resort to moratoriums else the sheriff would now be selling more farm homes than he ever did and more of our farm people would be seeking shelter in charitable institutions and more of them would be dependent upon bread lines for bare sustenance.

The present desperate condition of agriculture has been reflected in serious outbreaks in some sections of our land. Men who have lived upon their homesteads and who work in the hardest kind of toil from 12 to 14 hours a day during 8 months of summertime and almost 10 hours a day for 7 days in every week during wintertime; men who are skilled and who work intelligently and who have no sense of wrongdoing and who are without blame but are overwhelmed by conditions for which they are not responsible and who have exhausted their resources are loath to permit their homes to be taken away and their loved ones sacrificed to a ruthless juggernaut of insolvency and foreclosures. The American farmer is a manly man. He believes that he must always perform his contracts and keep his promises and be loyal to his country and keep and preserve its laws and fulfill his duty to society in general. But is not his duty to his wife and his children the most sacred of all of these?

Is not his promise to his loved ones as consecrated as all others? If he is thrown out of house and home without fault of his own, he is likely to feel that sense of resentment which might even impel him to resist force with force. Despair may, at times, drive the best of our citizens to desperation. These men are feeding America, and no American citizen has a right to eat the bread that they produce unless he is willing to share with them all of the things that bring about beautiful home living and establish them in society on a basis of decent, bountiful, intelligent, and religious twentieth-century citizenship.

The conditions following the debacle of 1929 remain. While farm prices of many commodities have risen in unit value, still the things the farmer must buy have risen in greater degree and he still remains in relative submergence. No man can win in an economic race while carrying such a handicap. On the basis of the present income of agriculture, and of the present indebtedness of agriculture, and of the present taxes and interest rates which agriculture must pay, it is impossible for agriculture to carry on successfully. When it can carry on—when it does prosper, then we will not be compelled to furnish relief to millions of nonfarmers who are now dependent upon governmental bounty and governmental doles. Farm tenancy is growing apace. Foreclosures have divested real farmers from ownership, while moratoriums against foreclosures are mere temporary palliatives and are not permanent nor remedial.

The bill provides that farm indebtedness shall be refinanced through the use of existing governmental machinery at an interest rate of 1½ percent and a further payment of 1½ percent annually to amortize the loan. It will take 47 years to liquidate such an indebtedness, during which time the mortgagor will make a yearly payment of \$30 on each \$1,000 of the loan. Provision is made to issue bonds which will be secured by first mortgages upon the farm lands of the country. These bonds will draw interest at 1½ percent and will be amortized at 1½ percent annually. In the event that there is not a ready market for them, the Farm Credit Administration will deliver them to the Federal Reserve Board, which in turn will cause currency (notes) to be issued and given to the Farm Credit Administration dollar for dollar. These Federal Reserve notes are not to exceed \$3,000,000,000, this being the amount of the revolving fund fixed in the bill. The Federal Reserve Board will issue these notes just the same as it does today, except that the Federal Reserve banks are getting them today and do not pay anything for them. They pay no interest upon them. They pay nothing for the use of the credit of the Government. Surely there ought to be some way for the Government when in need to get money without borrowing it from a bank.

This bill has met with unprecedented public approval. It agrees with the party promises and the party platforms of all political parties. No other bill before this Congress compares with it in the backing and endorsement which has been given to it. The National Farmers' Union and many State Grange and Farm Bureau organizations are for it. It has been endorsed by leaders in the Veterans of Foreign Wars and in the American Federation of Labor and by the National Union for Social Justice. Twenty-nine State legislatures have memorialized Congress for its passage, including those of Montana, Nevada, Wisconsin, Illinois, Minnesota, North Dakota, California, Nebraska, Oregon, Indiana, Arizona, Idaho, Colorado, Oklahoma, South Dakota, Tennessee, Iowa, South Carolina, Kansas, Michigan, Ohio, Texas, Kentucky, Wyoming, North Carolina, Arkansas, New Mexico, New Jersey, and Washington. In addition the lower house in each of the following States has endorsed the bill: New York, Delaware, Pennsylvania, Alabama, and Missouri. Our people want to have it enacted into law during this session. The realization of their hopes should not be postponed.

Section 2 is a simple acknowledgment of the solemn promises and duties of the Government to place American agriculture on an equality with other industries. This section recites that farm mortgages now existing may be refinanced for 1½-percent interest and 1½-percent principal per annum, all through the machinery and use of the Farm Credit Administration and the Federal Reserve Board, and the employment locally of the Federal land banks and national loan associations.

Section 3 authorizes the liquidation of farm mortgages and other farm debts existing at this time by the making of real-estate loans to the extent of the fair value of the farm and of 75 percent of the value of the insurable buildings. This section authorizes the Farm Credit Administration to make all necessary rules and regulations to carry out the purposes of the act. The section also provides that farm indebtedness may be scaled down in accordance with the provisions of existing laws. It is believed that such a loan will be a safe one and that the farmer can meet its conditions. The low rate of interest stipulated and the favorable terms given the borrower enhance his ability to pay and make the loan easier of payment. Furthermore, when a loan of this character is placed upon a farm home then the value of the property will be increased because the advantageous conditions for payment surrounding the mortgage will make the property more desirable and of greater value.

There should be no question about the safety of this security provided that the bill is honestly administered and that loans are made on real values as provided in the bill and not on fictitious or puffed-up values. The very fact that a piece of land carries a governmental loan at 1½-percent interest will in itself establish its value on a higher basis and therefore make the loan increasingly secure.

Section 4 provides for chattel-mortgage loans which are limited to 65 percent of the fair market value of the livestock. The present practices regarding chattel-mortgage indebtedness are very harmful to the farmer. High rates are exacted, with the result that the income of the farm is absorbed in meeting the requirements of chattel mortgages. Experience has shown that many cases of foreclosures upon the land itself have resulted from the insistence of local and exacting chattel mortgages whereby farmers were dispossessed of their ability to carry on. Section 4 of the bill is designed to remedy such evils. In some cases it will be necessary to resort to livestock in addition to real estate, and the loan on the real estate will be supported by the chattel loan.

The chattel-mortgage provisions of this section can be readily used to supplement the real-estate loan so that the Farm Credit Administration may get the benefit of both personal and real-estate security. Furthermore, it is desirable that the entire indebtedness of the farmer, both real and personal, should be held by the one agency.

Section 5 authorizes a small appropriation to carry out the provisions of the act; but all necessary and actual expenses so incurred must be apportioned and prorated and added to each individual mortgage. Such sums so added shall be paid to the Farm Credit Administration for administrative purposes. Through this means the expenses of the administration of the act will be paid by those who get its benefit and not by the Federal Government. By this bill farmers are not asking for charity or for a dole or for any subsidy. They will repay these loans. In this respect they are asking for much the same treatment that the Government has already afforded to other industries, such as railroads and banks and insurance companies, through the Reconstruction Finance Corporation and through other instrumentalities.

Section 6 provides that the funds to refinance existing indebtedness shall be provided through the issuing of farm-loan bonds by the Farm Credit Administration through the land-bank commissioner and Federal land banks, as now provided by law. These bonds shall bear interest at the rates provided in the mortgages extending to farmers and must be sold at par.

Section 7 supplements section 6 and relates to the sale of bonds in case they are not readily purchased. The provision is that the Federal Reserve Board shall take these bonds and issue Federal Reserve notes against them up to their par value. The amount outstanding of these notes at any one time shall not exceed \$3,000,000,000. Is this sufficient? This legislation will be administered under the regulations of the Federal land bank system. This system has been in operation for more than 20 years, and to date it has now outstanding in farm loans less than \$2,000,000,000. The fund named is a revolving fund and will surely be sufficient to cover loans that can safely be made for some period of time and until repayments are made and recovered under the revolving features of the plan. It is sufficient to take immediate care of those farmers who are in imminent danger and in sore distress and who are about to be dispossessed. As time goes on and as amortization payments in excess of what is required for redemption of bonds are returned into the fund, new and increasing numbers of mortgagors will get advantage from the act.

There is a prospect also that private money to some extent will be invested in the bonds, and when this happens the revolving fund will be augmented and increased. The amount of farm loans outstanding in the whole country approximates \$8,500,000,000. About 29 percent of them are held by individuals where there is more or less of a personal relationship existing between debtors and creditors. The holders of many of these private loans will not desire to have them rewritten right away, but will carry them indefinitely into the future; and many of these private mortgages will be refinanced upon terms which will not be wholly out of line with the present proposal. In this respect also, debtors will gain substantial benefits.

Section 8 has to do with the payment of the interest and principal which will accrue on the farm-loan bonds, and provides that payments upon the bonds shall be turned over to the Treasurer of the United States for the purpose of redeeming the notes that have been issued and for the further purpose of reinvestment as a sinking fund in new issues of farm-loan bonds. If we compare this plan for the issuance of currency with those which have heretofore been used whereby the Government has loaned its credit to the banks, and has also given them as a free and gracious gift the right to issue currency, and, moreover, has actually paid interest to them besides, we will be compelled to agree that the Frazier-Lemke bill will prove to be of great value to the Government itself. Instead of paying 3-percent interest to these banks the conditions will be reversed and the Government will be receiving interest at 1½ percent. And at the end of the amortization period (47 years) as computed on the amount of the revolving fund, the Government will have made a profit of \$6,345,000,000 above what it is now costing us under plans now practiced and schemes now fashionable. Instead of paying out money it will be receiving money.

This is one of the few times in the history of this Republic that anybody has seriously proposed to pay the Government a profit for the use of its own credit. Heretofore the money changers have demanded and derived that income and that profit. Heretofore certain banks have issued currency at a cost to them of only about 27 cents per thousand dollars, being the amount that is paid for preparing and printing the bills or notes.

This profit would keep our schools open; it would build a network of broad highways throughout the land; it would establish and maintain hospitals and colleges and libraries. It would reduce taxes. It would help to restore buying power to common people and prosperity to the country.

It is not necessary at this time to examine into the propriety of the privilege of issue extended by Federal Reserve laws. Many people who are in full support of the Frazier-Lemke bill believe that such privilege is proper and necessary. It must be remembered, however, that the 12 Federal Reserve banks are private corporations, that they and their stock are privately owned, and that none of their profits go to the Government. Why should the credit of the Nation be given away absolutely free? Why should a bonus (interest) be paid to those who receive such largess? Those who believe in this privilege, as well as those who do not, ought to be able to unite in refusing to monopolize it. Those who

get it are not in a position to claim exclusive rights in it. Nobody owns a charter right to it. Safety and security being conceded then it must follow that the right involved in the issuance of currency based on Government bonds ought not to be a special one to be exercised alone by those who are affluent. Security regarding such issuance must be guaranteed always; but when this is done and when safety is assured, why cannot some of the benefits of this privilege be extended to farmers and home owners?

Section 9 prevents any undue or dangerous or uncontrolled expansion of the currency. Whenever the amount issued under the act shall exceed \$25 per capita the Treasurer is authorized to retire the notes from further circulation and thus always keep within safe and controlled bounds. And the same section protects against any undue or harmful deflation in providing that the Treasurer shall not be allowed to retire more than 2 percent of the notes in any one year.

On February 28, 1935, there were outstanding from the Treasury \$5,466,702,738, being about \$43.07 per capita. On October 31, 1920, we had \$53.21 per-capita circulation. Since then it has decreased \$10.14 per capita. Furthermore, in 1929, before the crash, we were using at least \$62,000,000,000 of bank money or bank checks. Some authorities make this figure much larger. This is now down to about \$20,000,000,000. In other words, we formerly had at least three times the amount of bank money (checks, drafts, etc.) than we have now. These facts call for explanation and remedy.

A goodly part of the money that has gone from the Treasury is really not in circulation at all. Some of it is in foreign countries. Some of it is in Cuba, where it is used as money almost exclusively, and some of it is in other countries which use it in one way or another. A lot of our money has been lost or destroyed in fires, and still more of it is hiding in safety deposit boxes and in old socks and mattresses. We can take the \$8,580,000,000 of gold that is now idling in the Treasury and redeem every dollar of our outstanding currency and then have a balance of more than \$3,000,000,000 of gold left untouched in the Treasury and not obligated in any way. We have also \$1,000,000,000 of unused silver. We could issue an enormous sum of currency based upon those \$4,000,000,000 worth of extra gold and silver.

Let it be remembered that this bill does not propose to create any new or additional interest-bearing tax-exempt securities. It provides for an intelligent and regulated expansion. There are specific limits provided and safe boundaries set against uncontrolled issues of currency. The contemplated issues do not so far exceed our previous experience as to cause any honest apprehension among those who desire in real good faith to restore prosperity to agricultural as well as to commercial interests.

Sections 10, 11, 12, 13, 14, 15, and 16 describe machinery and procedure. The gist of this is that a board of agriculture is created consisting of one member from each State. Members will receive \$15 per day and necessary traveling expenses while on official business. They will elect an executive committee of three, each of whom will receive \$7,500 per annum. This executive committee is to advise with the Farm Credit Administration and supervise the work of refinancing farm mortgages. Neither the board nor the executive committee is given absolute power, but, on the contrary, these bodies are cooperative. They receive complaints, report delinquencies to the executive division of the Government or to the President, and act as a go-between. They are really an advisory body. The real truth is that Congressmen now act as chore boys for the people in performing the very work that this board and this executive committee will do after the bill is enacted into law. It is believed that actual experience will prove that little new machinery will be required to operate the act, because the bill uses the present set-up of the Farm Credit Administration.

Section 17 extends the benefits of the act to those who have lost their farms since 1921 and to those who desire to repurchase their land or another like farm. Like benefits are also extended to tenants and members of their families.

Provision is made in section 18 for extensions of time of payment in case of crop failures and for other meritorious reasons, providing the mortgagor keeps up the payment of all taxes.

The bill should be enacted.

Mr. LEMKE. Mr. Chairman, I shall discuss briefly the farm situation, because it is so much misunderstood and so much misrepresented in the public press—not only misunderstood by some of the people in the cities and towns but very much misunderstood here on the floor of Congress.

I will state to you Members that the total farm population in 1930 was 30,445,350; that this population increased so that in 1935 we had 32,779,000 living on the farms of this Nation. This comprises over one-fourth of the population in the United States.

The total number of farms in 1935 was 6,800,000, ranging from 3 acres up to over 1,000 acres, of which approximately 5,500,000 are smaller than 174 acres. The majority of these farms are less than 100 acres in size.

The value of the farm property in 1930 was \$77,900,000,000. In 1934 this had shrunk to \$37,000,000,000. In 1935 it had shrunk to \$32,884,000,000.

The value of the average farm in 1920 was \$12,000; in 1930 it was \$9,000; in 1935 it was \$4,840. Out of a total of 5,962,000 farms not owned by corporations, 4,162,000 are



covered by first mortgages. The statement given out by the Agricultural Department that only a little over one-half of the farms of this Nation are mortgaged is incorrect. It may be that only one-half of the 3-acre farms are mortgaged, but if we will take the total number of farms and take into consideration the total acreage, we will find that over four-fifths of the farms of this Nation are covered by first mortgages, exclusive of those owned and acquired by corporations by mortgage foreclosures.

The average monthly wage of employees on farms, including board, in 1920 was \$47.24; excluding board, it was \$65.05; and I want to bring this home to the representatives of labor in this body. In 1934, including board, it was \$17.89, as compared with \$47.24 in 1920. Excluding board, it was \$24.15 in 1934, as compared with \$65.05 in 1920.

Out of every 1,000,000 people agriculture employs 85,294. In other words, agriculture employs almost twice as many people per million of population as any other trade or occupation in the United States of America, and your unemployed problem is due to the fact that the farmers have been selling their products since May 1920 on the average below the cost of production.

Let us compare the number of people employed per million by agriculture with that of the number employed as clerks, which is the second largest group of employees and which number about 49,000, or about one-half as many per million as are employed by agriculture. Therefore, we see that the agricultural problem is closely related to the unemployment problem as agriculture absorbs about one-fifth of the total employees gainfully employed in this Nation.

The gross income from farms in 1924 was \$11,337,000,000; net, \$5,709,000,000. In 1929 it had shrunk, gross \$9,941,000,000, net \$5,655,000,000; and in 1934, with the processing taxes added, which the Secretary of Agriculture now admits were largely paid by the farmer because of lower prices, the gross income was \$7,163,000,000; net, \$3,250,000,000. We come now to bank credit per capita. Let us consider this for a minute. The average in the United States is \$117.33 per capita. In New York the per capita today is \$406.60 as against the average of \$117.33 for the whole of the United States. In North Dakota the per-capita average credit is \$31.05 as against New York's \$406.60. In South Carolina it is \$21.56 as compared with New York's \$406.60; and in Mississippi it is only \$21 as compared with \$406.60 in New York. The total credit curtailment in the United States of America existing today, as compared with 1926, is \$6,500,000,000.

The Frazier-Lemke refinance bill would put back \$3,000,000,000 of this \$6,500,000,000 of credit that we are short in the various States. It would distribute it fairly equally. Let us consider first the State of Alabama, and I am sorry not to see the name of a single Member from Alabama on the Frazier-Lemke petition. In Alabama the total curtailment was \$56,000,000. The Frazier-Lemke refinance bill would give Alabama's laboring men, its merchants, and people in the State of Alabama \$28,000,000 of the \$56,000,000 that you are short. Arkansas is \$40,000,000 short by credit curtailment. The Frazier-Lemke bill would give \$26,000,000 of this curtailment back to the people of this State.

Then why can we not get this bill out for consideration? It will help every State in the Union. Up to the present time we have not a single name on petition No. 7 from Connecticut. Yet \$101,000,000 has been the credit curtailment for the State of Connecticut. The Frazier-Lemke bill will give that State, although it has not very many farmers, \$17,000,000 back of that curtailment.

Mr. RANKIN. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Mississippi.

Mr. RANKIN. What would be the effect in Mississippi?

Mr. LEMKE. I will get to that in just a moment.

Mr. Chairman, we have only one name on petition No. 7 from Georgia, and God bless that one Member. In that State there is \$37,000,000 curtailment in credit and they will get back under the Frazier-Lemke bill \$26,000,000 of the \$37,000,000 that they are short in that State.

In Illinois the credit curtailment is \$671,000,000, and the Frazier-Lemke bill would give to the businessmen and to

everybody in the State of Illinois \$100,000,000 back of that credit curtailment. Why are not all of the Members from that State for this bill?

In Indiana the credit curtailment is \$174,000,000, and under the Frazier-Lemke bill \$84,000,000 would be received back.

We have only one name on petition No. 7 from the State of Kentucky, which has a credit curtailment today of \$78,000,000. The Frazier-Lemke bill will give back to that great State \$27,000,000 of that curtailment.

In the State of Louisiana the credit curtailment is \$25,000,000 and the Frazier-Lemke bill will give them back \$20,000,000 of the \$25,000,000 that they are still short.

In the State of Maine there is a curtailment of \$29,000,000. The Frazier-Lemke bill will give them back \$17,000,000.

In Massachusetts they are \$300,000,000 short in credit by curtailment, and the Frazier-Lemke bill, although there are not very many farmers in that State, will replace \$25,000,000 for the textile workers and the laboring people of Massachusetts. The sum of \$25,000,000 put into circulation will mean hundreds of millions in trade and traffic.

I come now to the State of Mississippi, which is \$32,000,000 short in credit. The Frazier-Lemke bill will return \$27,000,000 of that \$32,000,000.

In the State of New Hampshire the credit curtailment is \$9,000,000, and they will get back \$6,000,000. The State of New Jersey is \$317,000,000 short, and they will receive \$30,000,000.

And so on down through the States. I shall not take the time to read any more, with one exception.

The State of Texas is short \$163,000,000. The Frazier-Lemke bill will give them \$150,000,000 back. Every Member from Texas ought to sign this petition.

Every other State in this Union will, by the passage of the Frazier-Lemke refinance bill, receive similar benefits to those I have named above. Time, however, prevents me from enumerating them all. The undisputable facts are that there is still a credit curtailment of \$6,500,000,000 as compared with 1926.

The Frazier-Lemke bill will replace at least three million of that credit and will distribute it among all the States in proportion to the farm indebtedness, and it will distribute it among the people where it will do the most good, and not among the bankers.

The bankers need no new money because there is no credit left, but this bill will give an intelligent expansion of the currency and give to us the only real, sound money in this Nation—money secured by first mortgages and real estate in place of debts—and it will again set the wheels of industry rolling.

Mr. RANKIN. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Mississippi.

Mr. RANKIN. When the gentleman from North Dakota says that the States will get that amount back he means that the farmers would get that amount of money in loans on their land at low rates of interest and on long terms, does he not?

Mr. LEMKE. Yes; and it will put that much money in circulation, because it is new money.

Mr. PIERCE. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Oregon.

Mr. PIERCE. I should like to have an answer to the cry that has been raised from ocean to ocean that this is an inflation bill.

Mr. LEMKE. I will come to that.

Mr. Chairman, what is money? The Frazier-Lemke refinance bill is the only real money which we will have in the United States of America which has something back of it besides the debts of the Government of the United States and hot air. Why do we take these Federal Reserve bills? Is there anything back of them besides hot air and the debts of the Government of the United States? There is not; and I defy any man or woman to make a contrary statement. Oh, it may be said that there is a gold certificate back of it or some gold, but you get the gold, and I will put you in jail for having unlawful gold in your possession. The so-called gold certificates are just a meaningless camouflage. You might just as well sink the gold beneath the ocean.

waves and issue a good certificate against it. It will do you just as much good.

Why do we take this money—Federal Reserve notes? We take it, and I wish I had more of it, because back of it is the full faith and credit of all the men and women of the United States. That is what makes it money. Back of it are the finest and most splendid, up-to-date men with inventive genius; back of it are the world's most beautiful women, with industry, and with intelligence, and the unborn babies for generations to come. That is what makes money, and that is the reason we take these Federal Reserve notes.

Now, let us take up the Frazier-Lemke money for a moment. That money will have a first mortgage back of it on the homes of America, upon the homes of agriculture, upon the homes of those industrious people who feed and clothe you and me. A former member of the Federal Reserve bank stated that is the safest and best security in the world. He stated, in fact, he did not understand why Congress ever passed the original Federal Reserve Act without making agriculture and real estate the basis of currency.

If you are intelligent, then do not repeat the phrase "flat money." That is just a parrotlike expression and does not mean anything. No intelligent man can defend or define the parrotlike expressions "flat money" or "inflation." I say to you that the Frazier-Lemke bill, if passed, will put \$3,000,000,000 of real money of the United States, for the first time in the history of this Nation, on a 100-percent security basis, with something back of it. It will have agriculture and, in addition, it will have the human beings, the 32,000,000 men, women, and children who live on the farms, back of it. You may cry "inflation", but the Frazier-Lemke refinance bill is the only bill that will put honest-to-God money in circulation, money which will be supported by real estate in addition to the full faith and credit of all the people of the United States of America.

My friend the gentleman from Pennsylvania [Mr. Rich] always says, "Where are you going to get the money?" Here is the place where he can get the money, but we have not yet been able to convert him to our cause. For some reason, he things his new mouse trap in Pennsylvania should have 3 percent interest.

He seems to feel that the Federal land bank, which is supposed to serve the farmers, should pay 3 percent for Federal Reserve notes when the Federal Reserve Bank, which serves the banks and businessmen of the Nation, gets the same Federal Reserve notes for absolutely nothing save the cost of printing—seven-tenths of 1 cent per bill. These banks now have approximately 4,000,000,000 of these Federal Reserve notes. We are willing to be discriminated against and pay 1½ percent interest for that which the banking fraternity gets for nothing through the Federal Reserve Bank, but there is a limit to this discrimination business and the banking fraternity had better take notice and not arouse the public too much.

What does the Frazier-Lemke bill provide? It gives for the first time in the history of this Nation to the Federal land banks and to the Farm Credit Administration only part of the privileges that have been given to the banking fraternity for years under the Federal Reserve Bank. They can put up hot air; they can put up debts, if you please, and get money; but under the Frazier-Lemke refinance bill we put up honest-to-God security—first mortgages on farms.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield the gentleman from North Dakota 5 additional minutes.

Mr. COLDEN and Mr. RANKIN rose.

Mr. LEMKE. I yield first to the gentleman from California.

Mr. COLDEN. Why does the gentleman limit this bill to the agricultural lands of the country and exclude the homes of the worker?

Mr. LEMKE. I am coming to that in a moment, and that is why I wanted the extra time.

Mr. RANKIN. I just want to ask the gentleman from North Dakota a question. Many Members are criticizing your bill without offering anything in its place. We all know the bill is not perfect, but, as I understand the pro-

cedure, it would be subject to amendment if it came to the floor of the House, and any defects could be straightened out. Is that correct?

Mr. LEMKE. We would have 6 hours of general debate under Resolution 123, 3 going to myself and 3 to the man whom the Speaker names in opposition, and then on amendments we would proceed under the 5-minute rule under the regular rules of the House. It is an open rule, and if we Members are not afraid of ourselves, then let us bring it out here and let us stop this headache that we are having here. I know some of you on both sides of the aisle have a headache and it is going to get worse and it will end, perhaps, fatally if you do not wake up in time and see that the people of the United States can get a vote on the floor of the House on a measure that they are overwhelmingly in favor of.

Now, answering my friend from California, this bill will help your city people in many ways. In the first place, we have over in the Judiciary Committee of the House a bill to help your people in the cities that I wrote and which passed the Senate without a dissenting vote. Let us get that measure up and give the home owners in the cities a moratorium until we can get something passed for them.

However, if you put this new money into circulation and loosen \$8,000,000,000 of frozen assets tied up in farm mortgages in this great land of ours, you will find there will be plenty of money in circulation to do the Nation's business. These frozen assets when thawed out will go into the cities and will save home owners who are now about to lose their homes. There are 2,000,000 of such home owners on the farms, and perhaps an equal number in the cities and towns, all of whom would be helped and saved by this bill.

You will also find that when this bill is passed the farmer will again have purchasing power and will buy twice as much as he buys today, and in this way your textile mills will operate again. Recently the farmers have not had any purchasing power. Our purchasing power has been destroyed. The purchasing power of the farmers has been decreased to 38 percent of what it was in 1920. Give us this bill and your cities will be helped. You cannot help the city people without helping the farmer, and you cannot help the farmer without helping the city people. However, if we put both of these bills together, what a yell there would be from Wall Street—inflation! You cannot put every bill that you want for the good of the people in one measure.

Let us work together. I am with the home owners of America, whether they are in the cities or in the towns or on the farms. We must preserve these homes or we will have reds, and I will say to you, without criticism, the real reds in America are those Members of Congress who refuse to allow a vote on this measure. It is this attitude that makes "reds." There is disgust with existing conditions and procedure here in Congress on this bill, and I say to you that I am not afraid of any "reds" in America.

Let us be honest with ourselves and do something for the American people and nobody will get "red." Let us save the American homes. This is the best protection against "reds."

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. JOHNSON of Oklahoma. I am very much interested in the gentleman's very enlightening speech, and I may say that every member of the Oklahoma delegation has signed the petition to bring out this bill, and they have signed it in good faith, and I feel certain will vote for the Frazier-Lemke bill if given an opportunity.

Mr. LEMKE. I want to thank the gentleman, and I may say that you did the same thing before, and I take my hat off to those States west of the Mississippi River. There are only about four of them that are not 100 percent for the Frazier-Lemke bill regardless of party affiliations, and this is as it should be. This great question is not a party question.

Let me call to your attention the situation that exists today in this country. Every weekly paper that you pick up anywhere in the West, Middle West, and southern part



of this country contains at least 30 or 40 farm-foreclosure proceedings. Do you know that the Federal Reserve bank is the greatest offender in foreclosures? Do you know that they took the cream of the \$8,000,000,000 of mortgages? They took \$2,200,000,000, and as they are foreclosing on the cream, what is going to happen to the other \$5,800,000,000? I will tell you, and I have it from a former high official in the Federal land bank. Most of that will be liquidated by foreclosure unless Congress passes this bill. Surely we do not want that condition to come about in this country. [Applause.]

A copy of the Frazier-Lemke refinance bill, and the report made thereon by the Agricultural Committee of this House, is inserted on page 3343 of this CONGRESSIONAL RECORD.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman and Members of the Committee, before going into the merits of the District of Columbia appropriation bill it seems to me entirely proper that a word of appreciation should go from the minority side to Members of the majority for the very gracious way in which they have accorded the minority Members every courtesy and consideration.

I feel that a word of commendation is due to the chairman of the subcommittee [Mr. BLANTON]. Since the bill was reported the press has seemed to take particular delight in making the chairman of this subcommittee the prey for all of its attacks, attributing to him all possible motives of vindictiveness and suggesting that the bill is not the bill of the committee but a bill of the chairman seeking to wreak his vengeance on those who have opposed him here in the District.

It seems to me in a spirit of fairness that he merits a word from me denying the justifiableness of the attacks that have been made upon him. I feel that he has been conscientious; he has been courageous; he has been industrious; and in every way that a chairman possible could he has approached these problems in the hope of bringing to the floor a bill which would merit the support of the majority of the Members of this House. [Applause.]

When I was appointed to the Appropriations Committee and told that I was to serve on the District subcommittee, some of my friends came to me and told me it was one duty that should be avoided if it was at all possible; that no matter how honest and conscientious a man might be, at best it would be love's labor lost; that the newspapers and many organizations here in the District could not be pleased.

I must say, in view of what has occurred in the last few days, I am inclined to believe that the friends who warned me at the time of my original appointment were correct in their opinion of the conditions prevailing here in the District.

I want to say that I accept all of the attacks, all of those charges that have been leveled against the committee and against individual members of the committee, and that I am here to defend this bill. I am here to defend the bill from the standpoint of its fairness, its equity, and say that it does justice to the taxpayers of the District of Columbia, and that the Members of this House can go back home and say that they have been fair to the people of the District of Columbia and fair to the constituency which they represent. [Applause.]

If by discharging a duty of that kind, I take upon myself the possibility of charges leveled at me by the press here in the District, I say, let them continue to fire, and I shall invite the onslaught and attack as long as I know that I can defend the equity, the justice, and the fairness of the bill.

In one of the newspapers the suggestion was made that the members of this committee could not fully appreciate the dignity and grandeur of this great metropolitan city, this city that has been spoken of as a city of magnificent distances, and that we were unfortunate in that we came from some small villages, where one could not fully appreciate the grandeur and the magnitude of this municipality. I represent a district of 265,000 people. It is made up of villages and towns, and I believe I can boast here on the floor of financial governmental operations of which few Members can boast. That

group of villages and towns comprising 265,000 sturdy, energetic, thrifty people make up a district that has not a dollar's worth of bonded indebtedness, and that today can probably boast of a half million dollars cash balance. A district which within the last few years built an addition to the courthouse and paid for it out of current revenues; and for the encouragement of my Republican colleagues, may I say that that district has been under Republican rule for a long, long time. Probably these people are just villagers, but villagers who have learned the simple lessons of thrift, industry, frugality, and honesty. They hold fast to the theory of pay as you go. But they are willing to pay for the privileges which they enjoy. That is the difference between Washingtonians and the villagers which I represent.

Most of us have been confronted with the problems in our respective districts growing out of the depression. In most of our districts there are industries and business establishments which have suffered from the depression. Washington is an exception. There has been no depression in Washington, and there is not at this time any depression in Washington, for the business of the Government has continued, in spite of the years of depression. There have not been any idle factories here in Washington. There have not been any smokestacks here in Washington at manufacturing plants, thrusting themselves toward the skies, from which no smoke is emitted, which is an ominous sign in the industrial world that men are unemployed. Here in Washington business has continued uninterrupted. There has been no depression. There has been no cessation. During the past 3 years there has been not only no depression but there has been one of the finest booms that the most optimistic and speculative promoters could possibly dream of in their balmy days. The Democrats have been coming into Washington as a result of this New Deal program to such an extent that you cannot rent houses or apartments or get hotel accommodations. I was interested the other day in reading a quotation from one of these New Deal Under Secretaries. You know, we have to commend the New Deal for that—the ability with which they can create new Under Secretaries. They are no longer Assistant Secretaries. They wrap them up with a new dignity and call them Under Secretaries.

One of these Under Secretaries with all of his educational affiliations and all of his pedagogic experimentation recently charged that America was suffering from the sterile morality of individualism. That is a remarkable phrase, "the sterile morality of individualism." Here in Washington there has been no sterility of morality of individualism. I want that Under Secretary to know that here in Washington we have had the fertility of immorality of patronage plums, extravagance, profligacy, and waste in its finest form. There has been no sterility. There has been fertility, out of which has grown as fine a job-creating program as anyone could possibly hope for, even a New Deal enthusiast at his best. The result is that here in this city of magnificent distances business has been booming. Out in Virginia new real-estate ventures are springing up. Here in the city of Washington everything keeps humming and buzzing. Go into the department stores; go look for an apartment; try to secure hotel accommodations; and after you have sensed the real conditions, go to the press and to these organizations which are shouting about injustices, which are making these loud protestations about a Congress that cannot appreciate this city of grandeur and elegance; go to them and tell them that the city of Washington enjoys privileges, and has had bounteous blessings bestowed upon it, such as no other city in the whole length and breadth of the country.

I want to discuss a few items in this bill, and I want the membership of the House to know something about the program provided by the town fathers. I have a profound respect for the gentlemen who are the Commissioners. I cast upon them no personal reflection whatsoever. I desire, however, to tell you something about their method of procedure. A municipality such as the city of Washington should have a revenue program to carry out the needs of the municipality. It should not look to the Federal Government for

an annual gift of \$5,700,000. Nor should the town fathers excuse their failure to consider the subject of taxation by a spirit of dependence on the gratuities provided by the Federal Government. A dilatory attitude almost approaching unconcern has characterized the program of the town fathers. They have apparently been well satisfied to pass over to the Congress the task of raising the necessary revenue for the operation of the District government. It constitutes a splendid example of passing the buck.

I believe every Member of the House realizes the greater damage done to a street-paving system as the weight of the load increases upon that particular pavement. A 1-ton truck does much less damage than a 16-ton truck. A Chevrolet does considerable less damage than a big 5-ton Mack. Still, in spite of that fact, the town fathers here have decided that when you buy an automobile license plate, whether you are operating a small truck, a ton or a ton and a half truck, or whether you are operating a big 10- or 12-ton truck, your cost is the same. If you operate a Chevrolet, a car comparatively low in its potential damage to street paving, or if you operate a heavy Rolls-Royce, your license tag costs just the same. Automobile license privileges should certainly take into account the possible and potential damage to the highway which such automobile may cause, and such factors, which are used as the bases for license costs in other large cities, should apply here.

Let us consider the subject of taxes on gasoline. I do not know what you pay back in your districts as a tax on gasoline, but I do know that many drivers whose gasoline tanks begin to get low while they are in Virginia or while they are in Maryland will make every effort to get into the District, where they know there is practically no gasoline tax, or at least such a comparatively small gasoline tax that it is much more desirable to buy gasoline in the District than it is in the adjoining States.

Mr. McFARLANE. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. McFARLANE. I think the gentleman has raised a very interesting question. I notice in Tennessee they have a 7-cent State tax, with the 1-cent Federal tax, and that the price of regular gasoline is about the same as it is here in the District, where we have a 2-cent tax. I wonder if the gentleman could explain why that is.

Mr. DITTER. To be frank with the gentleman, I am not acquainted with the conditions to which the gentleman refers and can give him no explanation with respect to the costs of gasoline. I do know of the differences in taxes on gasoline in the District of Columbia and in the adjoining States.

Mr. McFARLANE. Will the gentleman yield further?

Mr. DITTER. I yield.

Mr. McFARLANE. On the license-tag proposition, for instance, in Texas we pay our license tag on our cars based on horsepower and based on the weight of the automobile.

The CHAIRMAN. The gentleman from Pennsylvania has consumed 20 minutes.

Mr. DITTER. I yield myself 10 additional minutes, Mr. Chairman.

Mr. BLANTON. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. BLANTON. I am afraid the gentleman from Texas [Mr. McFARLANE] is incorrect about the cost of gasoline in Tennessee and in Washington. For instance, you can buy what is known as Esso gasoline, sold by the Standard Oil Co., today in Washington for 4 cents per gallon less than you can buy it in Tennessee. So there is quite a difference.

Mr. McFARLANE. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. McFARLANE. I do not deal with the Standard or the Gulf, but I deal with the independent companies. If you will look for those independent signs you can buy your gas just as cheap in Tennessee or Arkansas as you can in the District of Columbia. I did it coming up here.

Mr. DITTER. Now, I should like to turn to the subject of real-estate taxes for a moment. I wish the Members would read the hearings and acquaint themselves with the

balances of unpaid real-estate taxes in the District of Columbia. Enormous sums are due the District for unpaid real-estate taxes. During the course of the hearings one of the Members suggested that probably an attachment could go out against the rents for the recovery of these real-estate taxes. That Member suggested that probably if such an attachment were to issue, much of those unpaid real-estate taxes would be collected. The admission was made that in many instances the properties on which these taxes were due were properties that were rented. Tenants were paying the rent and the owners of the property were taking into their own pockets the rent, but not discharging the liability due to the District for taxes.

Directing the attention of the Commissioners, particularly the auditor, to the need for possible legislation so that such attachments might be made, I was interested to receive on the 2d of March a letter from the auditor. This was after the hearings had closed. This was after we had directed the attention of the Commissioners to this condition of unpaid real-estate taxes. As late as the 2d of March the auditor advises that the Commissioners of the District have appointed a committee to go into this entire question of delinquent taxes. If past experience will hold good as far as this item is concerned, it is probable that another year will roll around, and when we have hearings on this District bill a year from now we will be told that they are still studying the problem.

Mr. NICHOLS. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. NICHOLS. Does the gentleman know whether or not the delinquent taxes that he mentions are less than a year old or more than a year old?

Mr. DITTER. If my memory serves me correctly, some of these taxes go back to 1879.

Mr. NICHOLS. My reason for asking the gentleman the question is that my recollection is that in the District Committee the other morning it was told to us, although I may be wrong, that it was necessary, under existing law in the District, that tax resale be had at the expiration of 1 year; that it was compulsory.

Mr. DITTER. I have no knowledge as to what method is being pursued presently for the recovery, but I do have knowledge that at the present time a large amount of money is due the District in delinquent taxes, and that to my mind aggressive efforts were not being resorted to for the recovery of these items.

Mr. COLDEN. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. COLDEN. Why have not laws been enacted in the District of Columbia similar to the laws in different States, by which the real estate would be sold for taxes if it was not paid within a reasonable time?

Mr. DITTER. In justice to the District, may I say that such sales are possible and that such sales are being resorted to at times, but a very considerable amount of back taxes is due on many properties that has not been collected.

Mr. DIRKSEN. May I be permitted to make this observation in response to the question of the gentleman from Oklahoma [Mr. NICHOLS]: The delinquent-tax law, as it exists on the books in Washington now, provides that in order to sell this property for delinquent taxes it is necessary to notify every party in interest. This means a rather extensive examination of records. A bill has passed the House and is now pending in the Senate which makes it necessary to notify only the last party of record, without having to notify judgment creditors, lienors, and everybody else.

Mr. COLDEN. How about notice by publication?

Mr. DIRKSEN. That cannot be done under existing law, but the bill of which I spoke has such a provision. If this bill passes the Senate the situation will be cleared up.

Mr. DITTER. I believe every man who has had experience in his district in the sale of real estate for taxes will agree with me that it would be much more desirable if, instead of resorting to a sale of the real estate, we could



attach the income from the real estate. If this were done it would avoid the necessity in many instances of resorting to a sale of the real estate.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. DIRKSEN. The difficulty could be cleared up by new legislation providing for a tax receiver; but there you sometimes run into difficulties, because if you had a tax receiver in charge of property like the Carlton Hotel or the Wardman Park Hotel because of delinquency in taxes, the abuses would be almost as great as they are at present.

Mr. DITTER. In my opinion, we should avoid, as far as possible, taking title to the real estate, but, rather, we should make it possible for the tax collector to attach the rent coming out of any particular piece of real estate in satisfaction of the tax assessed against the property.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. MAVERICK. I am asking this question for information only, because I do not know anything about it. A statement appeared in an editorial in the Washington Herald this morning to the effect that the Government of the United States has obligated itself to pay 40 percent of the expense of running the District. I would like to get information as to the amount the Federal Government is obligated to contribute, because I do not know anything about it.

Mr. DITTER. May I answer the gentleman by saying that if he will refer to the amount of the contribution made by the Federal Government during the past year and during the last 4 or 5 years, he will find there has been a uniform contribution of \$5,700,000. The current bill reduces this amount.

Mr. MAVERICK. By how much?

Mr. DITTER. By \$3,000,000.

Mr. MAVERICK. But I want to know if there is any requirement that the Government must pay 40 percent, as this editorial states?

Mr. BLANTON. Mr. Chairman, will the gentleman from Pennsylvania yield that I may answer the gentleman from Texas?

Mr. DITTER. Yes.

Mr. BLANTON. The amount the Government contributes depends exactly upon what Congress wants to do each year. This Congress fixes it. This Congress could say that we would not pay a cent if it wanted to.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. DITTER. I yield.

Mr. CRAWFORD. What is the rate of taxation assessed against residential and business property in the District of Columbia?

Mr. DITTER. It is \$1.50 per hundred.

Mr. CRAWFORD. Is that on market value or assessed value?

Mr. DITTER. The gentleman is going into a very, very delicate question. It is supposed to be on full value. If, however, the gentleman will examine the hearings and the record of ownership of certain pieces of property and the possible income from these pieces of property, the gentleman may feel that in all instances full value has not been established for the purpose of tax assessment. It is supposed to be on full value.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I hope my colleague will take all the time he wants. I would be very glad to give him my time. He is so familiar with the subject and has done such splendid work on this bill that I hope he will not feel he should leave out any part of his speech.

Mr. DITTER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. MAY. If the gentleman has the information available, I wish he would point out how the rate of taxation on real estate in the District of Columbia compares with the

rate of taxation in other cities of like size to the city of Washington.

Mr. DITTER. My answer to the gentleman is that the chairman of this subcommittee and the committee as a whole have made a very exhaustive study and a comparison with cities of like size. It is my honest opinion, and I believe it is the honest opinion of the committee, that the city of Washington enjoys a lower tax rate in proportion to the benefits it enjoys than any municipality anywhere in the country.

Mr. COLDEN. Mr. Chairman, if the gentleman will yield, I might state that in Los Angeles the tax rate on real estate is \$4 per \$100.

Mr. DITTER. I challenge any Member of the House to go back into his district and examine the tax rate in any cities in his district and compare the taxation there with the taxation here in Washington. I believe he will be satisfied that Washington enjoys a benefit and suffers no detriment in the program of taxation.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Washington.

Mr. ZIONCHECK. I was not here during the entire speech of the gentleman, but may I ask him if he touched upon the question of personal-property taxes that have not been paid for a period of years and no attempt being made to collect them? I understand there is no law by which they may be collected.

Mr. DITTER. I have not touched on that subject as yet.

Mr. ZIONCHECK. Will the gentleman touch on that matter?

Mr. DITTER. I have tried to be very gracious and I shall yield to my colleagues at every opportunity. If I have the time, may I say to the gentleman, I shall touch on that matter.

Mr. HAINES. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Pennsylvania.

Mr. HAINES. I would like to know what occasioned this reduction in appropriation to the city of Washington by the Federal Government to the extent of \$3,000,000 or more this year?

Mr. DITTER. I believe there is an old proverb that the Lord helps those who help themselves. I believe the primary obligation for the enactment of a satisfactory tax program rests upon those who are charged with the administration of municipal affairs. When they plainly indicate a dilatory attitude and no concern about the matter of taxation to such an extent that the committee feels they have no real regard for the needs of the District and the necessity for revenues for the District, then it seems to me the time has come when the Federal Government, instead of assuming a paternalistic attitude toward the District, should put the District on its own resources. [Applause.]

Mr. MAVERICK. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Texas.

Mr. MAVERICK. I desire to read concerning the proposition of the contribution of the Federal Government being 40 percent, which I have since found. It is Public Document No. 256, Sixty-seventh Congress (H. R. 10101), being the District Appropriation Act for the fiscal year ending June 30, 1923. It says:

That annually from and after July 1, 1922, 60 percent of such expenses of the District of Columbia as Congress may appropriate for shall be paid out of the revenues of the District of Columbia derived from taxation and privileges and the remaining 40 percent by the United States, excepting such items of expense as Congress may direct shall be paid on another basis.

Now, I am asking simply for information. What is the effect of that statute? Does it not constitute a contract?

Mr. DITTER. May I say to the gentleman from Texas, I think my colleague the distinguished chairman certainly answered very definitely with reference to the matter of this need and the 40-60 proposition. It is my opinion, just as the chairman stated, that what we contribute to the District depends entirely on the action of the Members of this House.

Mr. MAVERICK. The statute is still in effect. Does the gentleman think this statute should be repealed, then? It seems to me that it constitutes a contract; in any event, if it is still legislation it is still law; if it is still law we should either obey it or repeal it.

Mr. DITTER. May I say to the gentleman, who serves on the District Committee—

Mr. MAVERICK. No. I serve on the Military Affairs Committee—a more important committee.

Mr. DITTER. I hope my friend the gentleman from Texas will in no sense feel that I was underestimating his worth or ability. I recognize him as a very distinguished and able gentleman. May I also say, in deference to those colleagues of ours who do serve on the District Committee, I feel they occupy just as important positions in committee assignments as the Members who may serve on the Military Affairs Committee.

Mr. MAVERICK. I do, too. In fact, I join that sentiment.

Mr. BLANTON. I used to serve on that committee myself.

Mr. NICHOLS. I want to thank the gentleman for defending us so ably against the gentleman from Texas.

Mr. DITTER. I shall not permit the subtle attack made by the gentleman from Texas against the members of the District Committee. There was a subtlety to that which would have done honor to the American Civil Liberties Union.

Mr. MAVERICK. I want to thank the gentleman for accusing me of being "subtle", because he is the first person who has ever stated that I was subtle.

Mr. DITTER. Should I say "cunning"?

Mr. MAVERICK. Maybe so, maybe so; a wolf is cunning, but he has teeth.

Mr. WOOD. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Missouri.

Mr. WOOD. Referring back to the question of collection of delinquent taxes, I think the gentleman said his position was that Congress should pass a law which would enable the authorities to file against the rents. This brings up the question in my mind as to how much of the delinquent tax applies to property rented or to properties that are used and owned by the owner.

Mr. DITTER. The information that came to the committee indicated that in a very large number of instances, in fact, the majority of instances, the unpaid taxes were upon those properties that were rented and from which an income was being derived.

Mr. WOOD. They are the ones that should pay the taxes?

Would it be constitutional to have a dual method of collecting these taxes, either by filing upon the rent or by sale of the property?

Mr. DITTER. In my opinion, if a law was enacted authorizing the Commissioners or the tax collector to issue an attachment against the rent, such a law would be constitutional.

Mr. WOOD. I thank the gentleman.

Mr. EATON. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from New Jersey.

Mr. EATON. I notice in the bill that the item for smoke control in the city is cut down from \$15,000, as provided last year, to \$11,000. There has been no very serious diminution in the smoke evil itself. I understand the amount for inspectors has been reduced in the appropriation bill this year, also that an engineer employed at \$4,600 is on his way here to take the job. I understand further his salary has been cut down to \$3,800. Can the gentleman explain that in the interest of people who want to get rid of smoke?

Mr. DITTER. I am happy the gentleman from New Jersey asked that question. We hear a lot of talk about economy. Statements are made about the tremendous costs of government and how we should economize; but let anybody come in here and cut out a favorite job or two, or cut the wage or salary down below that which someone feels that salary or wage should be, and immediately there is a

hue and cry about smoke or some other such thing that is supposed to be relieved by these job holders. In my opinion, the smoke problem can be handled by a force such as is provided by this bill. In my opinion, the \$3,800 for the engineer which the gentleman referred to will be an adequate salary. In my opinion, the provision herein provided for personnel is adequate. If we are going to actually try to economize, let us be honest enough to face the music and cut some of these jobs out.

[Here the gavel fell.]

Mr. DITTER. Before I go further, may I ask the distinguished chairman of the committee whether he feels I am encroaching in any way on his time; for if he does, I shall not consume any further time.

Mr. BLANTON. I hope sincerely that my colleague will take all the time he wants. I think he is making a fine presentation and a much better one than I could make.

Mr. DITTER. I reciprocate that gracious compliment.

Mr. EATON. May I continue by asking one more question?

Mr. DITTER. I shall be happy to yield further to the gentleman from New Jersey.

Mr. EATON. I am delighted to see this interchange of amenities between the two leaders on this measure. No amendment would probably stand much chance to put this \$15,000 back if it were to originate among the unanointed.

Mr. DITTER. Well, I assume by "the unanointed" the gentleman means those who are not members of the committee.

Mr. EATON. Yes.

Mr. DITTER. May I say that we shall try at all times to pour all possible unction upon those who may not be members of the committee, but we shall reserve to ourselves the righteousness which we believe is ours in bringing a worthwhile bill on the floor of the House. [Laughter and applause.]

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield to the gentleman from California.

Mr. COLDEN. I wish to ask the gentleman from Pennsylvania about the proposed attachment of rents. This would not cover delinquent taxes on vacant property and would not serve the entire purpose.

Mr. DITTER. May I answer by saying I only suggested that as a supplementary procedure to facilitate the possible recovery of taxes that are delinquent and to avoid where possible the need for taking over the real estate. I in no sense suggest that it should be a complete substitute for the present procedure resorted to for the recovery of delinquent taxes.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. STEFAN. I have read your hearings with a great deal of interest, especially those relating to the question asked by the gentleman from Michigan [Mr. CRAWFORD]. The gentleman states they pay \$1.50 per \$100 on the actual valuation of property in Washington.

Mr. DITTER. May I interrupt by saying that I said that was the representation made—that it was actual value.

Mr. STEFAN. That was the representation; yes.

Mr. DITTER. I in no sense want that declaration charged to me.

Mr. STEFAN. But it is not assessed on assessed valuation.

Mr. DITTER. Oh, yes; assessments are made and those assessments are presumed or alleged to be made based upon full value.

Mr. STEFAN. Your hearings have many statements indicating that property which was valued some years ago, for instance, a lot as worth \$4,500 was sold a few years later at \$11,000. What has your committee done about making a revaluation of property in Washington?

Mr. DITTER. My answer to the gentleman is that I very guardedly answered my distinguished friend by saying that it was assumed the assessments were upon full value. The allegation was made that it was on full value, but the Appropriations Committee has no authority by which it could compel the municipal agencies to reassess real estate. All that we have the power of doing is developing during the



course of the hearings the facts as we find them to be in order that remedial legislation may be enacted to cure the conditions about which the gentleman complains.

Mr. STEFAN. Does the distinguished gentleman know when property in Washington was revalued, or has there been a revaluation lately?

Mr. DITTER. Valuations are presumed to be made every year.

Mr. STEFAN. But still property has raised in value to the extent of a \$4,500 vacant lot being raised to \$11,000 within a few years. Did your committee, in your investigations, learn whether or not that particular property or similar property had been revalued and the valuation increased?

Mr. DITTER. Again may I say, the committee had no authority there. It seems to me, and I assume, the gentleman intends no criticism or condemnation of the committee.

Mr. STEFAN. No; not at all.

Mr. DITTER. As an individual member and representing the minority, I may say I feel commendation is due the committee for disclosing to the membership of the House the facts as they are gleaned by a reading of the hearings by the distinguished gentleman.

Mr. STEFAN. I wish to state to the distinguished gentleman that there was no intention on my part to criticize the committee, and I do wish to commend the committee in pointing out and disclosing in its hearings the fact that property values have increased from \$4,500 on a vacant lot in Washington to the tune of \$11,000 within a few years, and yet you have revaluations every year, and still you value this property, perhaps, at a lower value. Is this correct?

Mr. DITTER. Yes. Now, if the gentleman will let me continue, may I say that the most substantial way for the gentleman to show his commendation will be for him to give his whole-hearted support, shoulder to shoulder with the committee, to see that this bill goes through without any possible amendment. This will be a very substantial evidence of the gentleman's commendation of our efforts.

Mr. STEFAN. I do commend the committee; and may I ask the gentleman one more question?

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I must yield to my chairman.

Mr. BLANTON. If the gentleman will listen just a moment, I am sure he will see exactly the situation. If the gentleman does not believe that property has been assessed at less than one-half of its value heretofore, and during the last few years, look on page 64, at the property that has been condemned, and then look on page 78, at the property that has been condemned, where we have had to pay three or four or five or six times its assessed valuation in order to get the property for the Government. In addition to this, if the gentleman will look at the hearings he will see where the Commissioners admitted that in 1934 they arbitrarily lowered and decreased the assessed valuations by \$80,000,000 and last year by \$50,000,000 more, so that they have decreased assessed values arbitrarily \$130,000,000 in 2 years.

Mr. PALMISANO. Will the gentleman yield?

Mr. DITTER. I yield.

Mr. PALMISANO. I cannot go along with the gentleman in condemning the District of Columbia Commissioners for not properly assessing property and then at the same time accusing them of being extravagant.

Mr. DITTER. I must differ with the gentleman. The gentleman could not have been here during all the time of my remarks. Otherwise he would not say that I was attacking the Commissioners. In no sense did I intend any condemnation of the Commissioners. I do say, however, and I repeat it, that there has not at any time been such practices by the Commissioners as would bring about the recovery of delinquent taxes that should be recovered.

I further say that, in my opinion, the District of Columbia Commissioners should have resorted to a change of procedure with respect to delinquent taxes.

Mr. PALMISANO. One further question. Is the gentleman aware of the fact that the present Commissioners have prepared a bill permitting them to sell the property they have accumulated under a sales tax?

Mr. DITTER. I am gratified to learn that, and I appreciate the fact that the gentleman has persuasion enough to get the Commissioners to move.

Mr. PALMISANO. I did not do it, they did it themselves.

Mr. DITTER. Now, we have here, as in all municipalities, agencies, and offices, such as the recorder of deeds, register of wills, the surveyor's office, and other offices having to do with municipal needs of the Government.

I wish to speak with respect to one office, and that is the office of the surveyor. It is my conviction that these municipal offices should have, as a result of an adequate fee bill, sufficient revenue to maintain them, and not only to maintain them but that a possible revenue should come to the Treasury.

The surveyor's office in the District of Columbia is operated on a fee basis, and service is rendered to private owners of real estate and speculative land promoters at a cost which is less than that for which a private surveyor would render similar services, and less than the actual cost of the surveyor's office.

It seems to me that that condition should be changed. It seems to me that the surveyor should charge fees on a basis that would not only put his office on a self-sustaining basis, but at the end of the year have a surplus as the result of those operations to be paid to the Treasury. That condition does not exist here.

The newspapers have said a lot about these public-assistance funds, about these medical charities suffering. My answer to that attack is this: I challenge any fair-minded man in the House to read carefully the record. I want the Members to see the personnel built by this charity group. I want the Members to see the salaries that are paid to some of these administrative officers, and I want them to think how much money is going to distressed individuals out of appropriations made and how much is going into the pockets of the swivel-chair individuals that operate these charitable organizations that are intended for relief. Any fair-minded man will feel that this committee was justified in the position which it took. Not a man or woman in the House here can deny the efforts of the committee to be fair. There was not a man on the committee who was not mindful of the needs of the health of the District, who was not mindful of the charities of the District, who was not mindful of the schools, but we were opposed to a program of extravagance, to a program of profligacy.

Just a last word about the schools, and now I am going into a hornet's nest. We have heard a lot about the "red rider." We have heard a lot about the heinous crime that we committed last year by asking the teachers of the District to refrain from indoctrinating the school children of the District with communistic teachings.

Those of you who have had any pedagogic experience, those of you who have been in the schoolroom as a teacher, will agree with me, I believe, when I say that the most impressionable age is the age of adolescence. Those are the years when habits are formed, those are the years when opinions are molded, those are the years when impressions are made that in many instances are lasting. I have no objection whatever to having college students go as carefully into the matter of communistic government as they care to. If communism were only presented here in the District or in the high schools throughout the country factually, I question very much whether I would oppose it. But it is my conviction, as a result of the disclosures made during the course of the hearings, that the efforts here in the District, as we know the efforts in other school districts, have not been for the purpose of presenting factually the matter of communism, but that it was the method pursued by those who were trying to advance the cause of communism, to place communistic teaching in a most favorable light before the high-school students, in order that it might be a persuasive factor in their own lives and be a method by which they would endorse and espouse this un-American system of government. I have a boy in high school. I hope that the same privileges will be his that were mine. I remember well certain high-school teachers who made a pro-

found impression upon me during the days I sat with them in the classrooms.

I hope that boy of mine will have influences brought to bear upon him in the high school by which he will love America and American institutions and traditions, American ideals, more than he ever loved them before. [Applause.] I hope that there will be impressions brought upon him by which he will hate, with a hate that is lasting, those things that would tear down and destroy the liberties of our people and the freedom that you and I enjoy. That is what I ask for my own boy. I want him to love America, to be dedicated to its defense, to be consecrated to its cause. I say to you on behalf of the boys and girls of this District, that I shall stand upon the record of the hearings on this matter of communism here in the District. I am satisfied to let that record speak for itself. I am satisfied that if this were my last term in Congress and this were the last thing that I were called upon to do in public life that I would be discharging honestly and conscientiously as I see it, the duty which I believe is mine, not only to the boys and girls of this District but to the boys and girls of America and to the traditions and ideals and institutions that I love.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DITTER. Yes.

Mr. COLDEN. I feel with the gentleman, speaking for myself, that Members of Congress have gained their best lessons in patriotism in the schoolroom when they were young, but it is not a reflection upon the teachers of Washington to oblige them to subscribe to an oath every month, such as is provided by law, and would it not be better to repeal such a law and eliminate such teachers as disregard real Americanism?

Mr. DITTER. I can answer that by saying that, in my opinion, and from certain disclosures that have come to me personally, there are teachers who would be only too anxious to have the bars let down, not only here in the District but elsewhere, by which they could feel a freedom of not presenting communism factually, but of indoctrinating communism in the pupils that come under them. We have no opportunity of going into the classroom and watching that teacher day in and day out with respect to the methods pursued in the pedagogic effort put forth. We have not that means, and it seems to me that this present means is the only available way by which to safeguard against the subtlety and cunning machinations of those who are anxious to destroy and tear down.

All observant men are aware of the efforts of radical leaders to extend their influence in America today. An attractive propaganda program has been developed which is intended to appeal to the emotions of the people and to arouse animosity and class hatred. While those directing the program appreciate the value of subtle maneuvers, nevertheless, the declarations of some of the New Deal keymen have encouraged the preachers of subversive doctrines to assume a boldness which cannot be ignored. From one occupying a lucrative and powerful post under the present administration comes the pronouncement of his belief in the "complete dominance by the Government in suitable areas of enterprise", and the accusation hurled against those engaged in private business of "determined sabotage of efforts to regularize their fields of industry." He delights to refer to those who disagree with his pedagogic mouthings as "enemies and autocrats", and insists "they must get out of the way, along with the moral system which supports them."

"The moral system" to which he refers is the same system which protects private enterprise from public confiscation, the same system which saves individual initiative from the deadening decay of a planned economy, the same system which defends the personal rights of the citizens against the encroachments of autocratic governmental agents. It is the American system as compared to the radical method. The same New Deal spokesman declares that it will be a "salutary purge if we are rid of the fainter hearted who confuse the Ten Commandments and the Constitution." He apparently takes exception to the philosophy of Lincoln, expressed in the words "with malice toward none", by referring to those who are not in accord with his scheme of up-

setting and unsettling America as enemies "we can despise with a lasting and righteous anger." He strives to excite and agitate our people in typical radical style with the declaration that "the compulsion needed for industrial change is more likely to come from workers than the present owners." As we contemplate the effects of such statements by one of the New Deal leaders we are not surprised at the boldness of radical leaders in pressing their clamor for the adoption of the political philosophy of Karl Marx. Passing reference must be made to the added encouragement given to those who are antagonistic to the American system of government by another New Deal spokesman when he took exception to a recent decision of the Supreme Court and characterized it as "the greatest legalized steal in history." It is most unfortunate that the inconsistent and disorderly social and economic policies of the present administration have contributed materially to encourage the preachers of un-American doctrines to extend their efforts and to broaden their influence throughout the country.

In view of the encouragement given to the movement by leaders in powerful positions under the present administration and in view of the aid afforded by much of the legislative program, it is probably natural that radical strategists would feel welcome to enter the public schools for the purpose of disseminating their lessons and indoctrinating the pupils with their fanciful philosophy. Surely no more fertile field could be found for the sowing of seed. The impressionable age of adolescence gives a splendid opportunity to these purveyors of subversive doctrines to fasten their tentacles on the youth of America at a period in their life when thought is molded and future policies of life are largely determined.

Let us safeguard the youth of America.

Mr. BLANTON rose.

Mr. DITTER. I cannot yield any further. My distinguished chairman has been more than gracious to me. I feel that the House wants to hear a word from him.

I want to repeat what I said before—that this is the committee's bill. I, as one of the members, am willing to take my responsibility for the bill. I do not believe it is TOM BLANTON's bill any more than it is the bill of any other member of the committee. I believe he has been fair. I believe he has been honest. I believe he has been courageous. [Applause.] I am here to stand with him to the end on this bill, without the dotting of an "i" or the crossing of a "t." [Applause.]

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, our colleague from Iowa [Mr. JACOBSEN] has done some splendid work on this bill, and every member of the committee appreciates his help. I yield to him such time as he may desire. [Applause.]

Mr. JACOBSEN. Mr. Chairman, a few years ago we heard a saying, and heard it often, that prosperity is just around the corner. This morning my colleague from New York [Mr. FISH] said the New Deal is going 'round and 'round. It just came to my mind that I would like to read one short paragraph of a letter that I got from home this week to show how far this prosperity is going. This letter is from my son. It was written last Saturday night, and I received it Tuesday morning:

We have had a very busy day. We are all tired out tonight. The town has been like a beehive all day. Streets and sidewalks are crowded. We had four people come in and pay us today on deals that we had charged off in 1934. Those who are back on the railroad. Some men are going back on the road who have not been on for 6 years.

It is a long letter. That is all I want to read to you at this time.

I was here yesterday and part of the time the day before. I heard very little about the bill that is before us. Today I was glad to hear more said about it. I feel that a few words from me as a member of the committee may not come amiss.

I have sat in the hearings, and I have heard a lot of them. I want to say right now that the committee as a whole is united on this bill. I have sat on committees before where we were not all in harmony, but on this bill every man on



the committee on both sides of the aisle is in harmony with every paragraph in this bill.

When we finished the bill we sat down and talked a few minutes. We were patting ourselves on the back at what a wonderful bill we had for the people of Washington. We had an appropriation in that bill for Chain Bridge, that has been before the committee as long as I have been a member, and long before that. That bridge is now in the bill today at a cost of approximately \$350,000. There is an addition to the Eastern High School at a cost of over \$300,000. There is personnel and equipment for the fire department. The most needed of all, perhaps, is the police court building, at a cost of \$1,500,000. So the committee was very much pleased with the bill. I got home late, thinking we had done a good job. The next morning when I came down to breakfast at my hotel I picked up the paper and I read a criticism of what we had done. I have been in the mercantile business all my life. I appreciate printer's ink. I know the value of publicity and I know the power of the press. I could not help but feel that they had the wrong impression about our bill. I knew they had. I read and studied all the papers that I could get. I was glad the gentleman from New York [Mr. TABER] and the gentleman from Pennsylvania [Mr. DITTER] brought this out so forcibly, because it has to come before the public. If the Members would read the hearings they would be convinced that the bill is the kind of a bill that should be passed.

I have heard more about communism the past few days than I have heard about the bill. From my point of view, there is a vast difference between teaching communism and studying communism. If it was not taught in the schools of Washington I would be perfectly satisfied, but from the evidence we have had, I fear it is being taught. We know that it is creeping into the colleges. We certainly should not have it in the schools of Washington, the Nation's Capital. That is the last place it should be taught.

Mr. MAVERICK. Will the gentleman yield?

Mr. JACOBSEN. I yield.

Mr. MAVERICK. If a man is a Communist and would violate his oath of allegiance, anyway, and try to overthrow the Government, does not the gentleman think a man like that would violate the oath that you require of him every 2 weeks, anyway?

Mr. JACOBSEN. Now, yesterday you asked not to be interrupted.

Mr. MAVERICK. Very well. I will not insist on the question.

Mr. BLANTON. But if he violated it to get his pay you could put him in the penitentiary, where he belongs.

Mr. MAVERICK. Oh, now, wait a minute.

Mr. BLANTON. Mr. Chairman, I ask that the rules be obeyed.

Mr. ZIONCHECK. You will not obey them yourself.

Mr. MAVERICK. I ask that the rules be obeyed, Mr. Chairman.

Mr. BLANTON. We can handle this bunch all right, Mr. Chairman. I ask that my colleague [Mr. JACOBSEN] be allowed to proceed in his own course until he yields, so that we may proceed in an orderly way.

Mr. MAVERICK. Mr. Chairman, I make a point of order. I asked a question according to parliamentary rules in a respectful and parliamentary manner. That was broken into by the gentleman from Texas [Mr. BLANTON]. I did not push my question, but he broke into it. I am entitled to courtesy.

Mr. BLANTON. Mr. Chairman, that is not a point of order. I make a point of order.

Mr. MAVERICK. Just a minute; I am not through yet. Mr. Chairman, the gentleman had no right to interrupt me. I am not going to be bullied off this floor. I am addressing the Chair, and I am not going to be bullied off this floor.

The CHAIRMAN. The gentleman from Iowa has the floor.

Mr. MAVERICK. Mr. Chairman, I wish to finish my point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MAVERICK. I want to ask if I have a right to ask a respectful question without being interrupted and bullied on the floor.

The CHAIRMAN. The gentleman does if the gentleman who holds the floor yields for that purpose.

Mr. MAVERICK. That is all I want to know. I thank the Chairman.

The CHAIRMAN. The Chair understood that the gentleman from Texas [Mr. MAVERICK] withdrew his question.

The gentleman from Iowa will proceed.

Mr. JACOBSEN. Mr. Chairman, I prefer not to yield further. I will come to the question of allegiance very quickly.

Mr. Chairman, I observed during the hearings that books were distributed in our libraries here, in the school libraries. I saw one of them. I am not a saint myself, Mr. Chairman; I can listen to a spicy story, and I can tell a spicy story, but I would not read that book to a bunch of men; that is how bad this book is that is in the libraries in the schools. This book was passed on by the committee, yet the same committee acknowledges that the book is not fit even for a man to read, it is so vulgar and vile.

I saw another book, and while it is not in the school libraries they can get it; it is in all the libraries of Washington; and if I may be permitted I shall read just one short excerpt from it. It kind of got under my collar when I read the following:

Immigrants describe America as they found it, a country dominated by capitalists with a sordid bourgeois society without ideals, a land of dollar chasers where wealth controls the Government and exploits the people.

I believe I can tell you something about that. I am an immigrant. I came to this country as a young man knowing there were chances for me here where there were no chances for me in Germany. I came with nothing but a strong mind and a healthy body. You have heard the story of the merchant who was in business for many years, who never made invoices but every year he would pull out a bunch of shoestrings, lay it aside and say that all the rest was profit. That is me. I made use of these two gifts every day since I have been here. I soon learned and mastered the language, and when I became old enough I applied for citizenship. When I became a citizen I had to denounce my foreign government, my German Government. This I was glad to do. I had to swear allegiance to the American flag. I took that oath because it was a privilege. I feel that perhaps I can appreciate this privilege more than my sons when they grow to be 21 years old. They will say, "I am a citizen, I can vote." That is all they think about, it is a matter of fact to them; but to me the oath I took will live with me until my dying day. I have taken oaths on many occasions and in many offices, but there is one oath that will not get away from me, the oath of allegiance to support the Constitution of the United States and the flag. [Applause.]

I did not want to speak today; TOM BLANTON forced me on the floor. [Laughter.] I would rather sit down and listen, but I have seen so much of this that I would recall some things to your minds. I would, first, ask the gentleman from Texas [Mr. BLANTON] if I am taking too much time.

Mr. BLANTON. Go right ahead.

Mr. JACOBSEN. When I was postmaster I saw some of the things that were going on. It was the time of the draft and the boys were being drafted one after another. Fathers would come in to my office and say: "Benny is anxious to do his bit; he wants to do his bit; get him a job down at the arsenal at Rock Island or in the shipyards, anything for a job." I could not help but smile and think. I would say to the man: "He is getting old enough for the draft, isn't he?" "Oh, no, no; he will not be drafted for some time, but he wants to do his bit." They all wanted to do their bit. My boy was over in France. He enlisted the minute the war started.

Later we had these pep meetings. Postmasters always had to be at the head of the pep meetings to sell war-savings stamps and Liberty bonds. I remember the first meeting very well, called to order by the president of the chamber of commerce. At that time we called them commercial clubs. The

leading men of the town were there. I stayed in the rear. I did not want to get on the platform. The meeting started, or, rather, the dinner started. We had a little lunch, the usual baking-powder biscuit with chicken gravy over it and a little chicken here and there. [Laughter.] Then there were trinkets and coffee. There was no sugar during the war, of course, and the "cream" was milk. In fact, the only thing about the meal that was pure was the salt. That was always good. [Laughter.] After lunch the meeting started. The chairman called it to order. Everybody stood up facing the east, where the flag hung, and sang America. They started out with wonderfully strong voices.

When they got to the second verse it got kind of dim. Some of the lips were just moving, and the leaders had to make quite an effort to bring it out. Before the next meeting the chairman learned a lesson. He had cards printed with the song on it. Then they could start and continue through the song, holding in one hand the little flag and in the other hand they would hold the card. They would not pay any attention to it until the second or third verse, then they had to hold up the card and read it.

I learned that whole song in Germany before I came to this country. I remember very well in our English lessons we learned America and The Last Rose of Summer. Why we should have learned the song, The Last Rose of Summer, I do not know; but those were the two songs I knew and could sing.

Those are the things that appear ridiculous to me and so outstanding. [Applause.]

Mr. BLANTON. Mr. Chairman, I want to reserve enough time to speak on this bill myself, but I believe so strongly in free speech that I am bound to yield 5 minutes to the gentleman from California [Mr. SCOTT], who requested time.

Mr. SCOTT. Mr. Chairman, I have at least two minor ambitions as far as my stay in this House is concerned. One of them is when I leave here I can truthfully say that I never tried to win an argument by shouting the other fellow down. The second one is when I leave here nobody can truthfully say that I was ever unfair in debate or in connection with extension of remarks.

Mr. Chairman, yesterday I objected to the gentleman from Arkansas putting into the RECORD an editorial taken from a Hearst paper. I will say frankly that at all times I am on this floor if anybody ever asks to put a Hearst editorial into the RECORD I shall object. I think Mr. Hearst is the biggest menace to freedom and liberty in this country, and I do not believe it is necessary to crowd the RECORD with his statements. Anyone with 3 cents can buy a Hearst paper anywhere in the United States and get the same editorial that it was desired to insert in the RECORD yesterday.

I did not object to the gentleman reading the editorial. Yet when the RECORD came out this morning, after the objection I had made, the statement is made by the gentleman from Texas [Mr. BLANTON] that—

As a matter of fact, illustrating what those who oppose the McCormack and Kramer bills mean by free speech, when the gentleman, being a representative of the people, wanted to read an editorial one of the advocates of this free speech who objected to the Kramer and McCormack bills, the gentleman from California [Mr. SCOTT], objected to his reading the editorial.

I did not do any such thing. Had the gentleman had time he could have read the editorial.

Mr. BLANTON. Will the gentleman yield?

Mr. SCOTT. No; I am sorry.

Mr. ZIONCHECK. It is dangerous. Do not do it.

Mr. BLANTON. I want to make a correction.

Mr. SCOTT. I yield to the gentleman.

Mr. BLANTON. On page 3284, when the gentleman from Arkansas [Mr. McCLELLAN] asked about putting in the editorial, the gentleman from California [Mr. SCOTT] stated:

I object to the editorial but not to the revising of the gentleman's remarks.

Then the Chair put the question:

The CHAIRMAN. Does the Chair hear objection?

Mr. SCOTT. Mr. Chairman, I object.

That kept the gentleman from putting the editorial in, so the gentleman from California is mistaken.

Mr. SCOTT. I beg the gentleman's pardon, but he is the one who is mistaken. The request was made for permission to insert in his remarks, as an extension, the editorial. He did not ask permission to read the editorial, and that is not what I objected to. I objected to his inserting the editorial in the RECORD without having read it on the floor of this House, and I said at the time that I did not object to his extending and revising his own remarks, but to the inclusion of the editorial I objected.

It was, in my opinion, exceedingly unfair in the revision or in the statement to say I objected to the reading of the editorial; and I think if the gentleman from Texas wants to be fair about it, knowing the rules as he does, he should take it upon his shoulders to correct the RECORD.

Mr. Chairman, the strategy of those people who have been advocating the Kramer bill and who advocate the "red rider" is to try to maneuver those who oppose these things into the position of being Communists or communistic sympathizers. It is eminently unfair to attempt a thing like that. Some of us see an attempt to suppress the teaching profession and an attempt to suppress freedom of speech and the dissemination of ideas in these restrictive laws.

It is not an attempt on our part to protect the Communist. I am not a Communist. I am not a communistic sympathizer. Here is the difficulty, and I think it is fair to point it out at this time. There are at least two different groups of people in the country. We have those, the signed members of the Communist Party, who advocate certain things. Then we have other people who are critics of our present economic order. They are not Communists at all. They say that the inequalities that exist under our economic institutions should be corrected by some kind of legislation.

[Here the gavel fell.]

Mr. BLANTON. I yield the gentleman 2 additional minutes.

Mr. SCOTT. Mr. Chairman, when the people who are critics of our present economic order start to talk, immediately somebody makes the statement that they are Communists. Let me ask the Members of the House a question. I have been a school teacher. I came out of a classroom to the House. If I were to teach school in the District of Columbia and at the end of 2 weeks they asked me to sign a statement saying I had not taught communism, I would not know how to answer the question. I would not know what to take into consideration in making the answer. If they asked me whether I had taught the violent overthrow of the Government by force, I would say "no"; I had not done that; but if they asked me: "Did you present in your classroom an article that was written by some individual criticizing our economic order?" I would say "yes." Now, if that may be interpreted as being communism, I suppose I would have to plead guilty to teaching communism in the schools. It is almost impossible, it seems to me, for a teacher to answer that question unless you have somebody there when the statement is signed to define exactly what communism is, so that the teacher could ask the question: "Well, I taught this and suggested that. I brought this subject up. Now, you tell me, did I teach communism?"

But you cannot have anybody like that down in the schools. We cannot have someone there every 2 weeks to answer such questions. The Superintendent of Schools and the heads of the different departments would say that they could not answer such a question for you, and this leaves the teacher in a position where he does not know what to say.

[Here the gavel fell.]

Mr. BLANTON. I am deeply indebted to my splendid colleagues on our subcommittee, which framed this bill. They all performed valuable work in helping me to hold the hearings and in writing up the bill. I am grateful to them for their references in this debate. I first want to discuss an extraneous subject.

Mr. Chairman, I hold in my hand a copy of the San Antonio Evening News for Thursday, December 8, 1921, which has in it a photostat copy of an order purporting to have been given by Gen. Malin Craig as Chief of Staff



of the American Expeditionary Forces, headquarters of the First Corps Area, on November 10, 1918. I read it:

Memorandum: It has been reported that there has been considerable pilfering of individual property in this command. Every effort is being made to find property that has been stolen, and any person found with such property in his possession will be publicly horsewhipped.

By command of Major General Dickman.

MALIN CRAIG, Chief of Staff.

This is the only explanation I have ever found for the kind of a general who as Chief of Staff, and without a hearing or trial, would decapitate a man like Gen. Johnson Hagood, who loyally, faithfully, and honorably had served his Government and flag for 40 years in the United States Army with honor and distinction.

No general could publicly horsewhip any soldier, or anybody else, in San Antonio, Tex., simply because he was found in possession of stolen property. No general could order it. It is against the law. There is no regulation of the United States Army that would allow any general to order any thief caught in the act to be publicly horsewhipped, much less to order every person "found with stolen property in his possession to be publicly horsewhipped", because the person found with the property might not have stolen it at all.

When the above San Antonio newspaper was sent me by my friend, Judge Leo Brewer, with law offices in the South Texas Bank Building, San Antonio, Tex., he advised me that when General Dickman was questioned in 1921 at San Antonio about his connection with this order, he claimed that "it must have been issued by General Craig, as Chief of Staff, without his knowledge." Such an order with Gen. Malin Craig's name signed to it is in violation of the forty-first article of war.

I want you to note that this photostat shows the official seal of "Headquarters, First Army Corps", with the word "Official" in the center of the seal, and also has on it the official stamp of the adjutant, to wit, "Official. W. A. Haverfield, lieutenant colonel, A. G. D., adjutant."

#### DAUGHTERS OF THE CONFEDERACY

The Daughters of the Confederacy in Charleston, S. C., have been interested from time to time in collecting the records of the sons of Confederate veterans, and they have collated a file on Gen. Johnson Hagood. I have secured a copy of their file, and for the reason I will state in a moment I believe that the people of the United States have the right to know something about this distinguished Maj. Gen. Johnson Hagood, who, for telling the truth while testifying before a committee of Congress in executive session, forced to testify by orders of the Chief of Staff, has suffered a punishment worse than "public horsewhipping", by that same Chief of Staff, Gen. Malin Craig, who had given his word over his own signature that General Hagood would be allowed to give his opinion freely and frankly.

This huge stack of letters and telegrams, that you now see in my hands, which tied together is a foot high, came to me within the last few days from all over the United States, some from every one of the 48 States, were all sent by well-known Democrats, vigorously denouncing this action of Gen. Malin Craig, and demanding that Gen. Johnson Hagood be restored to his command. I have in my office a similar stack of letters from citizens who state they are Republicans, also denouncing General Craig and demanding restoration of General Hagood, but I keep them separate, because I realize there might be some partisanship in expressions from Republicans.

Gen. Malin Craig might give an order to horsewhip anyone found with stolen goods in their possession, and be where his order might not get before the President for revision, but without a hearing or a trial, and upon a ridiculous excuse, he cannot inflict a punishment more severe than "public horsewhipping" upon a distinguished officer, faithful, loyal, efficient, able, and honorable, without having his action reviewed by the President of the United States. And with an abiding confidence in the President of the United States, I urge and beseech him to do justice, and to order that Gen. Johnson Hagood be restored immediately to his command of the Eighth Corps Area. Then, and then only,

would the confidence of several million Democrats, now sorely disturbed, be restored in their Democratic Party.

I am glad we have a real President in the White House. During the reign of Gen. Hugh Johnson, when he was governing the N. R. A., the manager in my section of the Postal Telegraph Co. brought a splendid boy to my office one evening who lacked 6 months of being of the age fixed by N. R. A. for boys to hold jobs. He said, "Mr. BLANTON, this is the most valuable boy I have in my employ. He has been working for me for several years and I pay him a good salary. I can hardly get along without him. He is supporting a widowed mother, who is an invalid, and also an invalid sister. He is their sole breadwinner. Under the order of Gen. Hugh Johnson I have got to discharge him today. Can you not help me out?" I said, "Sure"; and I wired Gen. Hugh Johnson and told him all the facts, stating that this family would have to go on relief if he could not make an exception in this boy's case, and I said, "I know you will find some way to make an exception", but to my surprise I got back a telegram that stated, in effect, that the order of the N. R. A. was about like the law of the Medes and Persians and could not be changed, and that the boy would have to go out. I did not stop there. I knew what kind of President we had in the White House, and I wired him and told him the facts, and I said, "Mr. President, I have enough confidence in you to know you will find some way to keep this boy on his job", and inside of a few hours I got a telegram from Washington saying, "Let that boy stay on his job; he will not be bothered."

This is the reason I mention this Hagood matter on the floor today. I want these facts placed before the President. I have enough confidence in the President of the United States to believe that he will find some way to get around this iron-clad "public horsewhipping" order of Gen. Malin Craig, the kind of general who would issue an order that anybody he found in possession of stolen property he would have publicly horsewhipped. I believe the President of the United States will find some way to restore this great general of our Army, Johnson Hagood, to his command. [Applause.]

Mr. Chairman, may I have permission to revise and extend my remarks and include therein certain data and excerpts?

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret that I cannot yield. I believe that every Member here will agree that I have been fair to my colleagues, as I yielded most of the time when it was vitally necessary that I should have plenty of time to discuss some very important subjects. I know that my friend from Michigan [Mr. DINGELL], whom by my vote I helped to put on the great Ways and Means Committee, will not accuse me of being unfair. [Laughter and applause.]

#### THE SOUTH CAROLINA HAGOOD FILE

From the file of the Daughters of the Confederacy, of Charleston, S. C., I quote the following from the facts they have gathered on the record of Gen. Johnson Hagood:

#### JOHNSON HAGOOD, MAJOR GENERAL, UNITED STATES ARMY

[Taken from Who's Who in America and a sketch prepared by Gen. J. P. Wisser for the National Encyclopedia of American Biography]

Hagood, Johnson, soldier, was born at Orangeburg, S. C., June 16, 1873, son of Lee and Kathleen Rosa (Tobin) Hagood. He is descended from William Hagood, a native of Virginia, but of English parentage, who married Sarah Johnson, and in 1776 removed to South Carolina. His son, Johnson, who married Anne Gordon O'Hear, was a prominent South Carolina lawyer and an early experimenter in electricity and physics. His son, Dr. James O. Hagood, who married Indiana Allen, was the grandfather of our subject. One of his uncles was Brig. Gen. Johnson Hagood, Confederate Army, afterward Governor of South Carolina. Another was James R. Hagood, who rose from sergeant major to command of his regiment, and who is said to have been the youngest colonel in the Army of Northern Virginia. On his mother's side he was descended from two Revolutionary soldiers—John Booth, killed at Hutsons Ferry, and James Overstreet, killed at the Battle of Cowpens.

Johnson Hagood attended the University of South Carolina in 1888-91, and in 1896 was graduated at the United States Military Academy, being assigned to the Artillery. He served successively at Fort Adams, R. I.; Fort Trumbull, Conn.; St. Augustine, Fla.; and Sullivan's Island and Fort Fremont, S. C. During the Spanish-American War he superintended the mounting of guns and mortars

on Sullivan Island for the defense of Charleston, S. C. During 1901-4 he was on duty at the United States Military Academy as instructor in the department of philosophy. After serving a year in command of the Sixty-ninth Company, Coast Artillery, at Fort Monroe, Va., he was made assistant to the Chief of Artillery in July 1905, continuing in that duty until November 1908.

He was then detailed to the General Staff Corps and served as assistant to two Chiefs of the Army General Staff, Maj. Gen. J. Franklin Bell and Leonard Wood, until March 1912. While on this duty he was a member of several boards appointed to draw up plans for seacoast fortifications, was prominently identified with the installation of range-finding and fire-control apparatus for the coast defenses and designed a mortar deflection board, which was manufactured by the Ordnance Department and is still part of the standard equipment of the Coast Artillery. He also designed a tripod mount for telescopic sights and a modification of the sighting platform of disappearing gun carriages. While on duty in Washington he was also in charge of Army legislation and was instrumental in the enactment of a number of important military laws—notably the act of 1907—which separated the Coast and Field Artillery and gave a more modern organization to both branches—the Army pay bill of 1908 and the extra officers' bill of 1911. He served on the board of directors of the Army Mutual Aid Association and as treasurer of the Army and Navy Club. In the latter capacity he had much to do with the financing and construction of the new club building erected in 1911.

He was in command of Fort Flagler, Wash., in 1912-13, and in 1913-15 was in the Philippine Islands, serving first as coast defense officer of the department and then as adjutant of the coast defenses of Manila and Subic Bays. While in the Philippines he was prominently identified with the development of what is known as the Corregidor project, a plan for preparing the Philippines to withstand a long siege. On his return to the United States in 1915 he was placed in command of the coast defenses of San Diego, Calif.; and in July 1916 he also had charge of military operations along the Mexican border from the Pacific coast to Mountain Springs, Calif. He commanded the businessmen's training camp at Salt Lake City, Utah, in August 1916, and was then ordered to Charleston, S. C., for artillery staff duty.

Having reached the grade of colonel August 5, 1917, he was appointed commander of the Seventh Regiment, Coast Artillery, and later in the same month proceeded overseas with his command. After training his regiment for a month in Borden Camp, England, and Mally-le-Camp, France, he was selected by General Pershing to reorganize and command the Advance Section, Line of Communications. In December he was appointed Chief of Staff, Line of Communications, and in February 1918 was designated by General Pershing as president of a board to reorganize the whole system of Supply and Staff Administration of the American Expeditionary Forces. Upon the recommendation of this board, the Services of Supply was created, Colonel Hagood (promoted to brigadier general in April 1918) being appointed chief of staff of the organization and serving in that capacity until after the Armistice. He was designated October 20, 1918, by General Pershing, to be major general, National Army, but the appointment failed on account of the Armistice. In a cablegram to the War Department, dated July 15, 1919, he was recommended by General Pershing for promotion to brigadier general, Regular Army, and again was especially recommended by General Pershing in a letter to the Secretary of War, dated June 16, 1920: "For the best interests of the service, as his record and experience in the World War renders him particularly competent to fill one of the more important positions in our new Army." From December 1918 to May 1919 he was with the American Army of Occupation on the Rhine as commander of the artillery of the Third Army.

On his return to the United States in May, he was assigned to and commanded the Railway Artillery at Camp Eustis, Va. He was returned to the grade of colonel, Regular Army, June 30, 1920, and 3 days later was appointed brigadier general, Regular Army. In September 1920 he was transferred to Atlanta, Ga., and commanded the Fourth Coast Artillery District. In January 1922 he was transferred to the Philippines and assigned to the command of the Twelfth Field Artillery and Camp Stotsenburg. General Hagood rebuilt the post at Camp Stotsenburg with soldier labor, established schools, and instituted other improvements, for which he was highly commended by his superiors. Was president of the Army and Navy Club of Manila. Upon his return to the United States in March 1924, via China, he was assigned to the Second Coast Artillery District, Fort Totten, N. Y., which he commanded until August 1925.

He was promoted major general, Regular Army, August 2, 1925, and assigned to the command of the Fourth Corps Area, with headquarters in Atlanta, Ga., where he served until March 1926. From there he was transferred once more to the Philippines, this time in command of the Philippine division, where he was commended for having "vastly improved the appearance of his post and raised the tone and morale of the Philippine division to a remarkable degree." Returning to the United States in July 1929, he was assigned to command the Seventh Corps Area, with headquarters at Omaha, Nebr. On August 9, 1932, he was assigned by the President to command the Fourth Army, On October 2, 1933, he was relieved from command of the Fourth Army and Seventh Corps Area and assigned to command the Third Army and Eighth Corps Area, with headquarters at Fort Sam Houston, Tex., where he is now serving.

He received the American Distinguished Service Medal, the Cross of Commander in the Legion of Honor, the Cross of Commander in

the Order of the Crown of Italy, and the Star of the Order of the Sacred Treasure of Japan, second class. Besides being recommended for promotion to major general, National Army, by General Pershing during the war, he was twice so recommended by Major General Harbord and three times by Major General Kernan. He received the degree of LL. D. from the University of South Carolina in 1921.

He is a member of the Society of the Cincinnati, Sons of the American Revolution, United Confederate Veterans, Spanish War Veterans, Military Order of the World War, and American Legion. Honorary Rotarian.

Author of *The Services of Supply, Soldiers' Handbook*, General Wood as I knew Him, and of numerous professional papers.

He was married December 14, 1899, to Jean Gordon, daughter of James H. Small, of Charleston, S. C., and has three children—Jean Gordon, wife of Lt. Comdr. James L. Holloway, Jr., United States Navy; Johnson, Jr., second lieutenant, Field Artillery, who is his aide de camp; and Frenchy.

MARCH 1, 1934.

#### PRE-WAR COMMENDATIONS

1906: Lt. Col. G. F. E. Harrison, C. A. C., Acting Chief of Artillery: "Captain Hagood has considerable mechanical skill, has invented some excellent artillery devices. He is an indefatigable, reliable, and accomplished officer, is fitted for almost any class of duty in time of war, and is one of the best type of artillery officers."

1907-8: Gen. Arthur Murray, Chief of Artillery: "Captain Hagood is a brilliant officer, especially well qualified for work in connection with artillery fire control."

1909: Brig. Gen. W. W. Wotherspoon, Acting Chief of Staff: "Captain Hagood is an officer of exceptional ability, capacity, and industry."

1910: Brig. Gen. Tasker H. Bliss, Acting Chief of Staff: "An excellent officer, specially qualified in time of war for the General Staff."

1911-12: Maj. Gen. Leonard Wood, Chief of Staff: "Major Hagood is an officer of marked ability, great application, excellent judgment, and high character, thoroughly well informed on all subjects pertaining to his profession; is possessed of sound judgment, discretion, and is zealous and energetic in the performance of his duty."

1912-16: Maj. Gen. J. Franklin Bell: "Lieutenant Colonel Hagood is a most capable officer; has commanded two posts in this department for about 2 years with unqualified success. He is one of the ablest, most efficient, and most useful officers I know in the service. I know him intimately and well."

WASHINGTON, D. C., May 7, 1910.

#### THE ADJUTANT GENERAL,

*United States Army, Washington, D. C.*

SIR: Having been relieved from duty as Chief of Staff of the Army because of the expiration of term of service, I desire, before leaving Washington, to place on the record of Capt. Johnson Hagood (C. A. C.), General Staff Corps, an expression of my appreciation of certain special service he has performed for me during my tour of duty as Chief of Staff. I refer to work which he has done in connection with Army legislation. Having been employed on this class of duty for several years, he has accumulated a very considerable amount of experience and an intimate knowledge of detail affecting legislative matters which no other member of the General Staff within my knowledge possesses. He has been tactful and has created an especially favorable impression upon the members of the Military Committees of both Houses of Congress, inasmuch as he has endeavored to be accurate, impartial, and disinterested in information given to these committees. He has drawn up in a most able way a large number of memoranda and a great deal of statistical data, which assistance has been very valuable to me in hearings before the committees. He has special ability in this line, and his knowledge of legislative matters ought to be valuable in the future.

He is conciliatory, considerate, and tactful in his dealings with others, and is an excellent officer in every respect.

Very respectfully,

J. F. BELL,  
Major General, United States Army.

(General Bell was Chief of Staff of the Army from 1906 to 1910.)

WAR DEPARTMENT,  
OFFICE OF THE CHIEF OF STAFF,  
Washington, February 15, 1912.

Maj. JOHNSON HAGOOD,  
Coast Artillery Corps (General Staff).

SIR: I take occasion, upon your relief from duty in this office, to express to you my sincere appreciation of the valuable service which you have rendered during your period of duty here. Your advice and assistance have been a great help to me in my capacity as Chief of Staff, and your recommendations have indicated that you have always had in view the best interests of the service. I regret exceedingly that the exigencies of the service make your relief necessary.

With a sincere appreciation of what you have accomplished, I am,  
Very respectfully,

LEONARD WOOD,  
Major General, Chief of Staff.

(General Wood served as Chief of Staff of the Army from 1910 to 1914.)



WASHINGTON, D. C., February 23, 1912.

The ADJUTANT GENERAL,  
War Department, Washington, D. C.

SIR: I have the honor to request that this letter be filed with the efficiency record of Maj. Johnson Hagood, C. A. C., General Staff. He is an intelligent and well-equipped officer and most industrious and zealous in the discharge of duty. His long absence from service with troops (nearly 7 years) is due, in my opinion, to the fact that each of the varied duties to which Major Hagood was assigned was so thoroughly and efficiently performed that the authorities deemed it best to continue him on detached service. I am glad that he will now have an opportunity to again serve with troops.

Very respectfully,

(Signed) J. C. BATES,  
Lieutenant General, U. S. A., Retired.

(General Bates served as Chief of Staff of the Army from 1905 to 1906.)

WAR DEPARTMENT,  
THE ADJUTANT GENERAL'S OFFICE,  
Washington, December 10, 1915.

2348115.

From: The Adjutant General of the Army.

To: Maj. Johnson Hagood, Coast Artillery Corps, Army and Navy Club, Washington, D. C.

Subject: Efficiency record.

The Secretary of War directs that you be informed that the following entry has been made upon your compiled efficiency record: 1915: Maj. Gen. Arthur Murray, United States Army, commanding Western Department, in a letter dated December 3, 1915, to The Adjutant General of the Army, said:

"On the eve of retirement from active service and believing that whatever success I may have attained as Chief of Coast Artillery and as a major general is largely due to able, zealous, and loyal support and assistance of certain officers, I desire to give official credit for this support and assistance, and therefore request that these remarks and the remarks made in individual cases hereinafter be filed with the efficiency records of the following officers:

"\* \* \* Maj. Johnson Hagood, Coast Artillery Corps, who, as assistant in the office of the Chief of Coast Artillery during the 5½ years I was Chief of Coast Artillery, rendered me invaluable assistance in the technical work of the office, in the preparation of estimates for submission to Congress, in testifying before committees of Congress, and in giving me most able, zealous, enthusiastic, and loyal support in all legislative work with which I was in any way connected during these years. From my personal knowledge of his work, in each instance, I can state that without his able work before committees of Congress, and his personal influence with individual Members of Congress and the confidence those committees and Members of Congress had in his integrity, neither the artillery increase bill of 1907, the Army pay bill of 1908, nor the extra officers bill of 1911, would have been enacted. For which good work I consider the Army and the country is indebted to him accordingly. More than this, I believe, from my personal knowledge of his capacity in connection with the passage of Army legislation in Congress, that his assistance toward procuring the passage of such legislation as it is desired to have enacted by Congress, would be worth more than any other half dozen officers I know—this without any exception or reservation, and I, therefore, recommend that the attention of the Secretary of War be specially invited to these remarks regarding Major Hagood.

JOS. P. TRACY,  
Adjutant General.

WAR RECORD  
AMERICAN EXPEDITIONARY FORCES,  
SERVICE OF THE REAR,  
February 17, 1918.

From: C. G. S. O. R.  
To: C. in C., A. E. F.  
Subject: Rank of chief of staff, S. O. R.

1. Under the new arrangement by which the Service of the Rear is created with very much enlarged functions and personnel there are some 18 general officers serving in that command. It seems too obvious for argument that the chief of staff of this command should have the rank of brigadier general, both in view of the rank of the staff he is in contact with and the general magnitude of his functions.

2. Therefore I urge the commander in chief to recommend Col. Johnson Hagood for promotion in the national Army to the grade of brigadier general, and his continuance on his present duty.

F. J. KERNAN,  
Major General, National Army, Commanding.

Official copy.

L. H. BASH,  
Adjutant General.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,  
HEADQUARTERS, SERVICES OF SUPPLY,  
March 18, 1918.

From: C. G., S. O. S., A. E. F.  
To: C. in C., H. A. E. F.  
Subject: Certain promotions of S. O. S. commissioned personnel.

1. I beg to renew the recommendations made from time to time by me heretofore for the promotion in the National Army of cer-

tain officers whose cases seem to me exceptional and therefore deserving of special treatment and consideration.

First, Col. Johnson Hagood, chief of staff, S. O. S. This officer is 45 years old, a colonel in his own arm, and is an officer of conspicuously brilliant record. He is now filling the position of chief of staff in an organization as complex and extensive as any in the American Army. Two major generals and some 16 brigadier generals are serving in this organization and the propriety of giving Colonel Hagood the grade of brigadier general, viewed exclusively from the standpoint of military expediency, cannot be doubted.

2. The above recommendations are made or renewed because of long delay in some of them, for I am aware that in other cases no more meritorious the War Department has acted with promptness in promoting men serving in France.

4. In all these cases, except that of Major Bugge, these recommendations have been made of my own initiative, without any hint or request from the officers themselves or on their behalf by anyone else.

F. J. KERNAN,  
Major General, National Army, Commanding.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,  
HEADQUARTERS, SERVICES OF SUPPLY,  
July 4, 1918.

From: C. G., S. O. S.  
To: C. in C., G. H. Q.  
Subject: Recommendations for promotions at headquarters, S. O. S.

1. Paragraph 1 (a), cable 1598-R, War Department, June 28, authorizes certain overhead grades and numbers for these headquarters. The most important of these had better be considered first, and, under that view, I recommend:

FOR THE GENERAL STAFF

(a) To be major general and Chief of Staff, Brig. Gen. Johnson Hagood, now Chief of Staff.

F. J. KERNAN,  
Major General, National Army, Commanding.

Official copy from the records of the Adjutant General's office, headquarters, S. O. S. (extract).

L. H. BASH,  
Adjutant General.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,  
HEADQUARTERS, SERVICES OF SUPPLY,  
August 10, 1918.

From: Commanding General.  
To: C. in C., A. E. F.  
Subject: The building up of a personnel in the S. O. S.

7. Recommendations: The following recommendations are submitted, all being within the organization authorized by the War Department for the S. O. S., with the hope that, if promoted, these men can remain in their present positions as long as they give satisfaction, or for the duration of the war.

(a) Brig. Gen. Johnson Hagood to be major general, chief of staff. The efficiency of this officer requires no voucher from me. He is well known to the commander in chief.

J. G. HARBORD, Major General.

Official copy:

L. H. BASH, Adjutant General.

AMERICAN EXPEDITIONARY FORCES,  
HEADQUARTERS SERVICES OF SUPPLY,  
September 10, 1918.

From: Commanding general, S. O. S.  
To: Commander in Chief, A. E. F.  
Subject: Award of Distinguished Service Medals.

1. In accordance with the provisions of G. O. No. 26, A. E. F., February 11, 1918, I recommend that Distinguished Service Medals be awarded to the persons named below serving with the S. O. S. and that each receive the citation set opposite his name:

Brig. Gen. Johnson Hagood, General Staff.  
For distinguished and invaluable service as chief of staff, first of the line of communications and later of the services of supply in the American Expeditionary Forces in France. By his ability for organization, his energy, and his tireless devotion to duty, he was largely responsible for the successful operations of the system that supplies the greatest Army known in our history.

J. C. HARBORD,  
Major General, Commanding.

[First endorsement]

Headquarters, S. O. S., France, September 12, 1918. To C in C, A. E. F.

1. Forwarded.  
2. The undersigned has already made recommendations in his confidential letter of August 19 on the subject of S. O. S. personnel. In addition to certain minor promotions, recommendation was made for the following:

Brigadier General Hagood, chief of staff, to be major general.

J. G. HARBORD,  
Major General, Commanding.

Official:

L. H. BASH, Adjutant General.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,  
HEADQUARTERS, SERVICES OF SUPPLY,  
September 24, 1918.

From: Commanding general.  
To: Commander in chief, A. E. F.  
Subject: Promotions in S. O. S.

2. Recommendation is renewed for promotion of the following officers, stated in what is considered to be the relative order of their importance:

Brig. Gen. Johnson Hagood, chief of staff, to be major general.

J. G. HARBORD,  
Major General, Commanding.

Official copy:

L. H. BASH, Adjutant General.

[Cablegram received at the War Department, Oct. 21, 1918]

From H. A. E. F.  
To The Adjutant General.  
No. 1817. October 20.

I recommend the following promotions: Brigadier generals to the grade of major general:

Johnson Hagood, who is Chief of Staff of the S. O. S.

PERSHING.

(This refers to war rank. Johnson Hagood at this time was a lieutenant colonel in the Regular Army.)

AMERICAN EXPEDITIONARY FORCES,  
OFFICE OF THE COMMANDER IN CHIEF,  
France, November 29, 1918.

Personal.

MY DEAR GENERAL HAGOOD: It gives me great pleasure to inform you that on October 20 I recommended you for promotion to the grade of major general, basing my recommendation upon the efficiency of your service with the American Expeditionary Forces.

The War Department discontinued all promotions of general officers after the signing of the armistice, and I regret that you will not, therefore, receive the deserved recognition of your excellent services.

Sincerely yours,

JOHN J. PERSHING.

Brig. Gen. JOHNSON HAGOOD,  
Commanding Sixty-sixth Artillery Brigade, A. E. F.

(This refers to war rank. Johnson Hagood was at this time a lieutenant colonel in the Regular Army.)

[Cablegram received at the War Department July 15, 1919]

From: Paris.  
To: The Adjutant General.  
No. 2827. July 13.

Paragraph 1. Following recommendations of qualified officers in the order named are submitted for consideration in filling vacancies created by tables of organization corrected to June 1, 1919:

Paragraph 4. For appointment as brigadier general of the line (Regular Army):

Brig. Gen. Johnson Hagood (National Army).

PERSHING.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army but had the war rank of brigadier general.)

U. S. S. "MARTHA WASHINGTON",  
Brest, France, November 1, 1919.

From: Maj. Gen. J. G. Harbord.  
To: The Adjutant General, United States Army.  
Subject: Efficiency of Brig. Gen. J. Hagood.

1. The termination today of my service with the A. E. F. affords occasion to testify to the efficiency of several officers who served

under my command in the last 2½ years. Brig. Gen. Johnson Hagood was on my recommendation selected as commander of the Advance Section of the S. O. S. in 1917. Soon after he was selected by Major General Kernan as chief of staff of the S. O. S., in which position I retained him during my command of that service from July 29 until, on his own request, he was relieved for service in command of troops shortly before the armistice.

2. General Hagood in my judgment is one of the ablest officers in our Army. He has a very bright, quick mind, great organizing ability, the capacity to get work out of subordinates, and with these attributes combines industry, a high conception of duty, and very high character. He left my staff very much to my regret and had filled the important position of chief of staff during the period of greatest activity in troops and freight arrivals. Very much of the credit and success of the services of supply, A. E. F., is due to General Hagood. In my judgment he should be retained as a general officer on the present reorganization of the Army. Under promotion by selection this officer has the merit which will insure his promotion.

J. G. HARBORD.

(This refers to appointment, or retention, as brigadier general in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

POST-WAR RECORD

AMERICAN EXPEDITIONARY FORCES,  
OFFICE OF THE COMMANDER IN CHIEF,  
Richmond, Va., February 23, 1920.

MY DEAR GENERAL: It was a great pleasure to see you again and to inspect the good work which you have accomplished at Camp Eustis. I wish to compliment you on what you have accomplished in the way of building up the morale of your brigade and the camp, which was shown in the fine appearance of officers and men at my inspection.

Sincerely yours,

JOHN J. PERSHING.

Gen. JOHNSON HAGOOD,  
Camp Eustis, Va.

HEADQUARTERS, MIDDLE ATLANTIC C. A. DISTRICT,  
Fort Totten, N. Y., February 27, 1920.

From: Maj. Gen. Charles J. Bailey, United States Army.  
To: The Adjutant General of the Army, Washington, D. C.  
Subject: Recommending certain officers for promotion.

1. In view of the impending reorganization of the Army, and consequent promotions to the rank of brigadier general, I desire to submit a recommendation in the case of the following officers of Coast Artillery. I know these officers intimately and have served with most or all of them. The officers named do not know of this action.

Lt. Col. Johnson Hagood: Have known him many years and consider him one of the ablest officers I know. His record for efficiency is of the best both as a line and staff officer. His service in France as regimental commander, chief of staff of the S. O. S., and later as an artillery brigade commander, brought him the highest commendation from his superiors and recommendation for promotion to major general from the commanding generals (two) of the S. O. S. and from the commander in chief, A. E. F. He was decorated by the French Government and awarded the D. S. M. for services which were regarded as exceptionally valuable by his immediate superiors. He is exceptionally well fitted for the position of a general officer.

C. J. BAILEY.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

HEADQUARTERS, PHILIPPINE DEPARTMENT,  
Manila, P. I., May 4, 1920.

From: Maj. Gen. F. J. Kernan, United States Army.  
To: The Adjutant General of the Army, Washington, D. C.  
Subject: Recommendations for promotion to the grade of brigadier general, United States Army.

[Extract]

1. In view of the pending reorganization of the Army by which it is probable the number of general officers will be increased, I desire to submit names for consideration because of my personal knowledge of these officers and of their past services. I am doing this of my own volition, and because I think it is due the Department to have as full information as possible in so important a matter, and also because I think I owe it to the officers in question. I name them in the order of their present seniority.

7. Lt. Col. Johnson Hagood, C. A. C.: This officer had become a marked member of his own arm before the United States entered the Great War and had served with unusual distinction upon the General Staff of our Army. In France, after some service with the artillery, he was assigned to command the advance section of the S. O. S. When the undersigned took over the command of that organization there was no chief of staff, and, indeed, no organization worthy of the great part to be played by it in the progress of the war. I immediately transferred Colonel Hagood to Paris and assigned him to the post of chief of staff. If ever an assignment justified itself, this one did. From the first day he



breathed a new life in the rapidly expanding organization, and until the last day of my command, when the great work of organization had been completed and the S. O. S. was a splendid going machine, I never had the slightest cause to doubt the loyalty or capacity or vision of this officer. This work was not of the spectacular kind to strike the imagination, but its tremendous import to the success of the American effort ought to kindle the enthusiasm of those who think and understand. He has the character, the experience, and the ability to fill any place in our Army, and I earnestly recommend his promotion to the grade of brigadier general.

F. J. KERNAN.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

HEADQUARTERS COAST ARTILLERY TRAINING CENTER,  
Fort Monroe, Va., June 10, 1920.

From: Commanding General.

To: The Adjutant General of the Army, Washington, D. C.

Subject: Promotion of an officer.

1. In connection with the selection of officers for the permanent rank of brigadier general, under the reorganization bill which recently became a law, I desire to bring to your attention Brig. Gen. Johnson Hagood, who is now assigned to duty as commander of the Thirtieth Artillery Brigade, with station at Camp Eustis, Va.

2. The record of General Hagood in the A. E. F. is too well known to require comment by me, and the complete success of his labors is best testified to by the recommendation of the commander in chief that he be promoted to the rank of major general.

3. I have been in command of the Coast Artillery Training Center, of which Camp Eustis and the Thirtieth Artillery Brigade form a part, since September 15, 1920.

4. When General Hagood assumed command of this brigade and Camp Eustis, everything about the organization, post, and the mental attitude and the morale of the command was at the very lowest ebb. I am thoroughly familiar with the work which he has accomplished in the upbuilding of his command from every standpoint, and there can be no question that his accomplishments after the war, taken in connection with his accomplishments during the war, and before, indicate that he is an officer who is fully qualified for advancement to the permanent rank of brigadier general. I am confident that in voicing this statement I am only saying what is recognized by all officers who are familiar with his ability along every professional line and along every line which involves intense and successful personality.

A. CRONKHITE,  
Brigadier General, United States Army.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

AMERICAN EXPEDITIONARY FORCES,  
OFFICE OF THE COMMANDER IN CHIEF,  
June 16, 1920.

The Honorable NEWTON D. BAKER,  
Secretary of War, Washington, D. C.

MY DEAR MR. SECRETARY: In view of the pending reorganization of the Army, and particularly the appointment of the general officers provided for in the recent Army legislation, will you not permit me to again invite your attention to the recommendations I made in my cable of July 15, 1919, giving the list of officers recommended by me for promotion to both the grades of major general and brigadier general?

I recommend that of the list then submitted the following be specially considered; this for the best interests of the service, as the records of the officers named, together with the experience they have had in the World War, render them particularly well competent to fill the more important positions in our new Army. I consider it especially desirable that they be given at this time the grade for which they have been recommended in order that their services may be available in the building of the new units.

Brig. Gen. Johnson Hagood.

May I ask, Mr. Secretary, that if, in your judgment, such action is proper, this letter be referred to the board appointed to determine eligibility of officers for appointment to the grade of brigadier general?

Very sincerely,

JOHN J. PERSHING.

(This refers to appointment in the Regular Army. Johnson Hagood at this time was a lieutenant colonel in the Regular Army, but had the war rank of brigadier general.)

OFFICE OF THE GOVERNOR GENERAL  
OF THE PHILIPPINE ISLANDS,  
Manila, March 28, 1923.

MY DEAR MR. SECRETARY: Pardon my writing you direct, but I want to bring to your attention the case of Brig. Gen. Johnson Hagood. I have known General Hagood for many years. He served as one of my assistants on the General Staff during the time I was Chief of Staff. I later picked him out to command one of the important artillery districts on the Pacific coast where conditions were not satisfactory, and he made a splendid record there. I am familiar with his record in France, which was most excellent,

and he has come under my repeated observation here in the Philippines. On the General Staff I regarded him as one of the very most efficient officers I had. As a commanding officer of troops he has always made good and turned out first-class commands. He is 50 years of age. He has been a general officer for about 5 years, including the Regular and temporary National Army commands. He is a most level-headed, capable officer, who has made good in the fullest sense of the term wherever he has been sent. I commend him especially to your favorable consideration.

Sincerely yours,

LEONARD WOOD.

HON. JOHN W. WEEKS,  
Secretary of War, Washington, D. C.

(This refers to appointment as major general, Regular Army. Johnson Hagood by this time had been promoted from lieutenant colonel to colonel and 3 days later to brigadier general, Regular Army.)

SAN DIEGO, CALIF., February 6, 1924.

From: Maj. Gen. F. J. Kernan, United States Army, Retired.

To: The Adjutant General of the Army.

Subject: Philippine Service of Brig. Gen. Johnson Hagood.

1. I desire to put officially on record the remarkable construction work of Brig. Gen. Johnson Hagood at Camp Stotsenburg, P. I.

2. When this officer arrived in Manila for duty in January 1922, I was commanding the Philippine Department and assigned General Hagood to command Camp Stotsenburg. That station had been long neglected, and this fact, together with the further fact that it had never been completed as originally intended, made it unsightly and overcrowded. Just at that time the Department had ordered the organization of an additional regiment of Scout Field Artillery, and no other place offered so convenient a station for this new unit as Camp Stotsenburg. It was imperative to have more quarters, and, accordingly, I sent for General Hagood and my principal staff officers and stated that all training would be suspended for the present and the entire Stotsenburg garrison would be put to work on a building project and all needful supplies and salvaged material was to be put at General Hagood's disposal for this purpose. The garrison consisted of the Tenth Cavalry and the Twenty-fifth Field Artillery (Scout). The latter did most of the work.

3. In a few months there were added to the post 49 sets of officers' quarters, 23 sets of company officers' quarters, 3 sets of field officers' quarters, 13 sets in a bachelor apartment, and 10 in a set for nurses. In addition the incomplete sewer system was finished—the entire cavalry line being brought into the system; the new septic tank completed, post exchange enlarged, an exchange building put up for Clark Field, and the water supply increased by the construction of a new reservoir. In addition the old buildings were repaired and the cold-storage plant rebuilt. I enclose photos of the type of company and field officers' quarters. Altogether the work here briefly outlined would have cost, under contract, more than \$200,000. In fact, not a dollar of "B. & Q." appropriation was available.

4. This officer was chief of staff of the S. O. S. in France during its period of growth, of stress, and development. He is about to return from his tour of duty in the Philippines. His work in France was one of the most important tasks falling to any officer. His work at Stotsenburg shows the same initiative, zeal, and good strong sense. I take pleasure in putting on record my belief that he is fitted for any task falling to an American Army officer, in peace or war, and I recommend his early promotion as a thing earned.

F. J. KERNAN,  
Major General, U. S. A., Retired.

(This refers to appointment as major general, Regular Army. Johnson Hagood by this time had been promoted from lieutenant colonel to colonel, and 3 days later to brigadier general, Regular Army.)

HEADQUARTERS, PHILIPPINE DIVISION,

Fort William McKinley, Rizal, P. I., March 17, 1924.

Brig. Gen. JOHNSON HAGOOD,  
Camp Stotsenburg, Pampanga, P. I.

DEAR GENERAL HAGOOD: On the eve of relinquishing command of the Philippine division I wish to express my high appreciation of the very efficient manner in which you have commanded Camp Stotsenburg during the last 2 years. Soon after your arrival the garrison was suddenly increased without adequate shelter. The order, precision, and rapidity with which you carried to completion an extension (sic) building project, using the labor of troops and such surplus material as was on hand within the Department, showed executive ability of the highest order.

Recent inspection have found both the Twenty-fourth Field Artillery and the Twenty-sixth Cavalry to be in a highly satisfactory condition.

With best wishes for your future,

Yours very sincerely,

OMAR BUNDY,  
Major General, United States Army.

JANUARY 23, 1925.

Gen. JOHN L. HINES,  
Chief of Staff, War Department,  
Washington, D. C.

MY DEAR HINES: I understand that there are five vacancies in the grade of major general that occur between now and next fall, and I want to drop a word for a very deserving officer before I leave.

There is a group of five men, headed by Johnson Hagood, every one of whom seems to me to be too good to be jumped by anyone else, even by one of the other four.

I particularly invite your attention to and recommend the promotion of General Hagood. There are now on the list of line general officers, 1 major general and 13 brigadier generals who are younger than Hagood; there are 1 major general and 4 brigadier generals who are older than he, but have less service; there are 10 major generals and 38 brigadiers who have less service in the grade of general officer.

I have known Hagood for many years. His youthful appearance is no adverse sign of his first-class efficiency. When General Pershing sent me to the Service of Supply, in July 1918, I found Hagood as the chief of staff of the Service of Supply, and he was the officer, above all others, to whom I attribute the good organization which I found there and which, with very minor changes, brought whatever success may be considered to have come to that service while I had the honor to command it—between July 29, 1918, and May 25, 1919.

The last two major generals made—MacArthur and Nolan—were both junior to Hagood in the service, though, of course, neither Hagood nor anyone else could take any exception to the promotion of General Nolan out of his turn.

I earnestly recommend that Hagood, Connor, Conner, and Brown be the next four brigadier generals of the line to be promoted, and that they be promoted in that order. I am personally indebted to every man of that five for splendid service. W. D. Connor succeeded Hagood as chief of staff of the S. O. S., and was originally an assistant chief of staff to me when I was Chief of Staff; Fox Conner was assistant chief of staff under me while I was chief; and Preston Brown was chief of staff of the Second Division while I served in it as a brigadier and as a major general. It would be hard for any army to duplicate these four men in efficiency. They are all deserving of the highest consideration, and, in my opinion, their claims are superior to that of any brigadier above them.

Ordinarily, I do not believe in retired officers making recommendations for promotions, but my obligations to these men are such that you will perhaps feel I am justified in submitting this to you.

Sincerely yours,

J. B. HARBORD.

(This refers to appointment as major general, Regular Army. Johnson Hagood by this time had been promoted from lieutenant colonel to colonel and three days later to brigadier general, Regular Army.)

NOTE.—All promotions were made as hereinbefore recommended.

Mr. BLANTON. Mr. Chairman, you will find all of the above data within the files of the Daughters of the Confederacy, in Charleston, S. C. I have also taken occasion to secure the official data on the record of Gen. Johnson Hagood, when he was commander of the Infantry division at Fort McKinley, in the Philippine Islands, which is as follows:

On August 2, 1925, General Hagood was promoted to be major general, Regular Army, at that time one of the youngest officers ever to be promoted to that grade in the American Army in time of peace, Miles, Wood, and MacArthur being the only exceptions during the past 50 years.

As a major general in command of an Infantry division at Fort McKinley, he was given the following report by the commander of the Philippine Department April 30, 1928:

During the period covered herein he has vastly improved the appearance of Fort McKinley and raised the tone and morale of the Philippine Division to a remarkable degree, amply demonstrating his fitness for a higher command.

FRED W. SLADEN,

Major General, United States Army.

Since the above report was submitted General Hagood has commanded the Seventh and Eighth Corps Areas; the Fourth and Third Field Armies. Comments on the manner in which he performed those duties are not available.

Since Gen. Malin Craig saw fit to criticize General Hagood regarding his action in supporting the regimental commander when he relieved Colonel Baltzell, and claimed that General Hagood could not take a reprimand, I have gone to some trouble to produce the facts regarding this matter, which is disclosed by the following:

[Western Union telegram]

FAYETTEVILLE, N. C., February 27, 1927.

CHIEF OF STAFF,

Fourth Corps Area, Atlanta, Ga.:

Have entire command at Fort McPherson paraded Monday morning, and read to Colonel Baltzell the following: I have just learned that Inspector General has completely exonerated you in the matter of recent controversy. Please accept my apologies for having misjudged you, and my congratulations upon the outcome. I am sorry I cannot be present to do this in person.

JOHNSON HAGOOD.

FORT MCPHERSON, GA., February 28, 1927.

Maj. Gen. JOHNSON HAGOOD,

Commanding Fourth Corps Area,

Hurt Building, Atlanta, Ga.

MY DEAR GENERAL HAGOOD: Your telegram of the 27th instant to the Chief of Staff, Fourth Corps Area, was read to me in the presence of the assembled command of Fort McPherson and was extremely gratifying. I fully appreciate the completeness of your act and the method of its expression.

The whole affair is the one outstanding regret of my career. My aims were always those of most complete loyalty to you and General Leitch, and the unfortunate interpretation of them has caused me the deepest distress.

Permit me to express my great satisfaction at the opportunity presented to accept your apologies and congratulations in the same spirit and completeness with which they were extended.

Very cordially yours,

GEORGE F. BALTZELL,

Colonel, Twenty-second Infantry.

Mr. Chairman, the people of the United States are just and love fair play. During wartime, when any Army officer or other soldier shows disrespect for those in authority above him, they want a shooting at sunrise. But when a loyal, faithful, dependable officer like Gen. Johnson Hagood, who has served his country faithfully for 40 years, in peacetime is ordered before a congressional committee and told by the Chief of Staff to tell the truth freely and frankly, and he does tell the truth, the American people are not going to stand for the Chief of Staff to decapitate such officer for telling the truth.

HURT THE PRIDE OF HARRY HOPKINS

When the whole truth is learned it will be found out that Harry Hopkins did not like it because Johnson Hagood told the truth. I can tell Harry Hopkins of many scores of cases where he has spent money foolishly, where he has passed around "stage money." It will be found out that to appease Harry Hopkins this "public horsewhipping" order was issued by Gen. Malin Craig.

IT IS UP TO OUR PRESIDENT

Mr. President, I have confidence in you. Mr. President, I think that you are fair and square. Mr. President, I think that you are just. Mr. President, I believe that you will tell Harry Hopkins that he "must be able to take it" when just and honest criticism is forthcoming. Mr. President, on behalf of many millions of Democrats in the United States who are suffering under this injustice, I ask you to restore Gen. Johnson Hagood to his command at Fort Sam Houston over the Eighth Corps Area.

Now, Mr. Chairman, I must discuss this bill.

THE UNITED STATES SEAT OF GOVERNMENT

Mr. Chairman, at the outset I deem it advisable to show constitutional authority for the Congress of the United States to control at all times not only all legislation pertaining to and affecting the District of Columbia but also all of its expenses.

I call attention to the Constitution of the United States with respect to the duty that the Congress owes and the authority it exercises over the District of Columbia. Clause 17 of section 8 of article I of the Constitution of the United States provides that the Congress shall have power:

To exercise exclusive legislation in all cases whatsoever over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States.

I quote now from Watson on the Constitution, page 698:

This clause confers upon Congress absolute control and authority over the District of Columbia. It probably grew out of an unpleasant episode in the history of the Continental Congress while it was sitting in Philadelphia. Toward the close of the War of the Revolution Congress was surrounded and greatly mistreated by a body of mutineers of the Continental Army. This led to the removal of the seat of government from Philadelphia to Princeton, N. J., and later, for the sake of greater convenience, to Annapolis.

In construing the above clause of the Constitution in the cases I shall thereunder cite, the Supreme Court of the United States held:

By this clause Congress is given exclusive jurisdiction over the District of Columbia for every purpose of government, national or local, in all cases whatsoever, including taxation. The terms of the clause are not limited by the principle that representation is necessary to taxation.



*Loughborough v. Blake* (5 Wheat. 321); *Kendall v. United States* (12 Pet. 619); *Shoemaker v. United States* (147 U. S. 300); *Parsons v. District of Columbia* (170 U. S. 52); *Capital Traction Co. v. Hof* (174 U. S. 5); *Gibbons v. District of Columbia* (116 U. S. 404).

In the First Congress of the United States, in an act approved July 16, 1790, entitled "An act for establishing the temporary and permanent seat of the Government of the United States", it provided: That a district of territory, not exceeding 10 miles square, to be located as heretofore directed on the River Potomac, at some place between the mouths of the Eastern Branch and Connogochegue, be, and the same is hereby, accepted for the permanent seat of government of the United States.

The above act provided for the erection of suitable buildings for the accommodation of Congress, and of the President, and for the public offices of the Government by the first Monday in December 1800, until which time the temporary seat of government should remain in Philadelphia, Pa., but that on the first Monday in December 1800 the seat of government and all offices of the United States should be transferred and removed to said district and thereafter cease to be exercised elsewhere.

EXPLANATION BY PRESIDENT WILLIAM HOWARD TAFT ON SELF-GOVERNMENT

On May 8, 1909, leading citizens of Washington gave a banquet to President Taft, who in later years was Chief Justice of the Supreme Court of the United States. In explaining the necessity under the Constitution for preventing the people of Washington from having self-government, President Taft, in addressing said banquet, said:

This was taken out of the application of the principle of self-government in the very Constitution that was intended to put that in force in every other part of the country, and it was done because it was intended to have the representatives of all the people of the country control this one city, and to prevent its being controlled by the parochial spirit that would necessarily govern men who did not look beyond the city to the grandeur of the Nation and this as the representative of that Nation.

In an article prepared by George W. Hodgkin, which was published as Senate Document No. 653, second session, Sixty-first Congress, on June 25, 1910, he quoted the above statement from President Taft and admitted the following:

Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government. Local officials are either directly or indirectly appointed by and are responsible to the National Government.

Madison argued: "The indisputable necessity of complete authority at the seat of government carries its own evidence with it. Without it, not only the public authority might be insulted and its proceedings interrupted with impunity but a dependence of the members of the General Government on the State comprehending the seat of government, for protection in the exercise of their duty, might bring on the national councils an imputation of awe or influence equally dishonorable to the Government and dissatisfactory to the members of the confederacy."

There is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs.

Several attempts have been made to amend the Constitution as to give the inhabitants elective representation in Congress and participation in Presidential elections.

ORIGINAL CESSION OF DISTRICT BY MARYLAND AND VIRGINIA

The State of Maryland, by an act approved December 23, 1788, directed that:

The Representatives of this State in the House of Representatives of the Congress of the United States, appointed to assemble at New York, on the first Wednesday of March next, be, and they are hereby, authorized and required on behalf of this State to cede to the Congress of the United States any district in this State, not exceeding 10 miles square, which the Congress may fix upon and accept for the seat of Government of the United States.

The State of Virginia, by an act approved December 3, 1789, provided:

That a tract of country not exceeding 10 miles square, or any lesser quantity, to be located within the limits of this State, and in any part thereof as Congress may by law direct, shall be, and the same is, forever ceded and relinquished to the Congress and Government of the United States, in full and absolute right and exclusive jurisdiction, as well of the soil as of persons residing

or to reside thereon, pursuant to the tenor and effect of the eighth section of the first article of the Constitution of the Government of the United States.

It should be remembered that Mr. Hodgkin was discussing the matter from the standpoint of the citizens of the District of Columbia, and he made the following pertinent admission:

Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government. Local officials are either directly or indirectly appointed by and are responsible to the National Government.

In 1846 Congress ceded back to Virginia the city and county of Alexandria.

In 1871, after continual hammering of Congress by the papers of Washington, it passed an act giving the District a government of its own, and provided that the tax rate in Washington should be \$3 on the \$100, and provided for the District to elect and send a Delegate to Congress.

It took only 3 years for Congress to recognize the unwisdom and folly of such an affront to the Constitution, and in 1874 Congress repealed that foolish act and abolished the position of Delegate.

PHILADELPHIA HOUSED BOTH HOUSES OF CONGRESS FREE

It is interesting to remember that during the 10 years the seat of our Government was located in Philadelphia the commissioners of the city and county of Philadelphia furnished to our Government without any charge whatever the building at Sixth and Chestnut Streets for the use of both Houses of Congress.

The removal to Washington of the seat of our Government from Philadelphia was completed by June 15, 1800. A building was rented in Washington near the corner of Ninth and E Streets NW., about where the south wing of the present old Post Office Department Building is situated, at a rental of only \$600 per year, and the owner permitted the Government to spend half of that sum for renovations and improvements, and this building housed the Post Office Department of the United States and the local post office for Washington and quarters for the family of Hon. Abraham Bradley, Jr., the Assistant Postmaster General, all provided for an annual rental of only \$600.

The main objective of our Government in acquiring territory owned and controlled by it for its seat of government was to have complete authority over it, which Madison said was "an indisputable necessity." Without complete authority, Madison said, Congress might be insulted. It was Madison who said that without complete authority over its seat of government there might be an awe or influence exerted over Congress that would be dishonorable to the Government, and that the proceedings of Congress might be interrupted with impunity.

Subsequent developments have demonstrated the great wisdom of our forefathers when they acquired a territory of 10 miles square for a seat of government to remain under the absolute control and authority of Congress.

Even such a loyal, able advocate of the District of Columbia as George W. Hodgkin was forced to admit that Congress exercises absolute control over the District of Columbia, and that local officials are responsible to the National Government, and that "there is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs."

People who see fit to reside in the District of Columbia do so with knowledge of the above situation and constitutional limitations.

I thought it wise to make this statement to show why Congress every year controls this District appropriation bill and why the President, through his Bureau of the Budget, which is his agent, exercises control over expenses in the District. It is in accordance with constitutional provision and the law of the land.

ADMISSIONS BY DISTRICT COMMISSIONERS

From our printed hearings on the 1935 District of Columbia appropriation bill I quote the following from the testimony of Commissioner Hazen, the president of the Board:

Commissioner HAZEN. The Commissioners would like to call attention to the fact that in the fiscal year 1934 the tax rate of \$1.70, which had been in effect during the fiscal years between 1928 and 1933, inclusive, has been reduced to \$1.50. This reduction represents a saving to the taxpayers in the fiscal year 1934 of \$2,445,000.

Moreover, in the fiscal year 1934 the assessed valuation of real estate has been reduced by \$80,000,000—a saving to property owners of \$1,200,000. The District budget for the fiscal year 1935 is based upon continuing the \$1.50 tax rate in that fiscal year.

It is also contemplated that a further reduction in the assessed valuation of real estate of approximately \$50,000,000 will be made in 1935.

The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935, and an increase in the metered allowance now 7,500 cubic feet to 10,000 cubic feet. This means a saving to water users of about \$600,000. In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about \$100,000 to water users.

From our printed hearings on the 1936 appropriation bill I quote the following:

Mr. BLANTON. By a reduction in the assessed valuations of real estate to the extent of \$80,000,000, you meant that you distributed that over the general assessments?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Then you further state:

"It is also contemplated that a further reduction in the assessed value of real estate of approximately \$50,000,000 will be made in 1935."

Did you make that further reduction?

Commissioner HAZEN. There was further reduction.

Mr. BLANTON. And you did make another reduction, approximately \$50,000,000, in assessed values, as noted by the assessor, Mr. Richards, of 10 percent in the assessed valuations?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. And that was general all over the District?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. So that property owners generally got the benefit of that additional \$50,000,000 reduction?

Commissioner HAZEN. That is quite right.

Mr. BLANTON. Then this year and last year you have given the property owners in the District a reduction in the assessed values of real estate of \$130,000,000, or 15 percent, have you not?

Commissioner HAZEN. Approximately; yes, sir.

Mr. BLANTON. Then you also say:

"The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935 and an increase in the metered allowance, now 7,500 cubic feet, to 10,000 cubic feet. This means a saving to water users of about \$600,000."

That was provided?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that the property owners of the District got a saving of \$600,000 through a decrease in water charges?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. In addition to that \$600,000 decrease in water charges, they also got the benefit of the increased metered allowance of 2,500 cubic feet of water?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Without extra charge?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that they got a double benefit in the matter of the water charges?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Then you further say:

"In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about \$100,000 to water users."

That was a saving of \$100,000 additional approximately?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. To water users here in Washington?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. It is a fact, Mr. Commissioner, that the tax rate this year, the fiscal year 1935, is only \$1.50 per 100 on real estate and only \$1.50 per 100 on personal property, is it not?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. There is no contemplation in the minds of the Commissioners to increase that tax for next year, 1936? You do not contemplate increasing it?

Commissioner HAZEN. We do not contemplate increasing it.

Mr. BLANTON. With that \$1.50 tax rate, you stated in your preliminary general statement, that you carried over from the last fiscal year to the present fiscal year a surplus of \$4,600,000?

Commissioner HAZEN. That is right.

Mr. BLANTON. And you say that you will inherit next July 1 a surplus of—

Commissioner HAZEN. \$2,450,000.

Mr. BLANTON. You have also, for this coming fiscal year, a trust fund, as you said in your general statement, of \$1,430,000?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. That is a fund to which you have access, which you get out of the Treasury, regardless of what Congress does in this bill, is it not?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. You have no income tax for the District of Columbia?

Commissioner HAZEN. That is true.

Mr. BLANTON. \* \* \* The tax on intangibles in the District is now what, Mr. Donovan?

Mr. DONOVAN. \$5 per thousand.

Mr. BLANTON. That is one-half of 1 percent, is it not?

Mr. DONOVAN. That is right.

Mr. BLANTON. In the District of Columbia there is a gasoline tax of 2 cents a gallon?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. In the District of Columbia there is a license-tag tax that people pay in order to get their license plates each year. That amounts to only \$1 per car.

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. That would be \$1 per car for an \$8,000 Rolls-Royce limousine as well as a dollar per car for a Ford or a Chevrolet?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. In the District of Columbia the average water tax per family is now approximately what?

Mr. DONOVAN. It is about \$8.75.

Mr. BLANTON. Was not that the tax before Congress reduced it?

Mr. DONOVAN. It was that before Congress reduced it.

Mr. BLANTON. But Congress reduced it?

Mr. DONOVAN. You mean the 25-percent reduction?

Mr. BLANTON. Yes.

Mr. BLANTON. In the District of Columbia a man who built a house 25 years ago, and then paid for having his house connected with the sewer system of the District, has not in the last 25 years had to pay a single additional monthly service charge for sewers, has he?

Commissioner HAZEN. No.

Mr. BLANTON. And he will not have to pay any in the future, will he?

Commissioner HAZEN. No, sir.

Mr. BLANTON. Mr. Commissioner, you have been a public servant for a long time, and you are intimately acquainted with every detail of Washington business and history. On the whole, can you cite the people of any city of the United States who have better privileges, who are better cared for, than those in the city of Washington?

Commissioner HAZEN. I think that it is the greatest city in the United States.

Mr. BLANTON. And Washington people are better cared for, are least taxed, and have greater privileges than any other people in the United States?

Commissioner HAZEN. I believe they do.

#### WHY WASHINGTON NEWSPAPERS FIGHT BLANTON

Mr. Chairman, I am going to show you exactly what taxes are paid by the Washington newspapers. This contract was brought out in the evidence given by Col. Julius Peyser, who is the chairman of the board, for the Security Savings & Commercial Bank in Washington, and who was president of it for 14 years:

#### THREE MILLION DOLLARS OFFERED FOR WASHINGTON POST

JUNE 2, 1931.

WASHINGTON POST CO.,

MR. EDWARD B. McLEAN,

AMERICAN SECURITY & TRUST CO.,

Trustees of the Estate of John R. McLean, deceased.

DEAR SIRS: Our understanding is that Mr. Edward B. McLean and the American Security & Trust Co., as trustees of the estate of John R. McLean, deceased, are the owners and holders of all of the outstanding capital stock of the Washington Post Co., of the District of Columbia.

Our understanding, further, is that the Washington Post Co. is the owner of the following properties (hereinafter called properties):

The trade name of the Washington Post; Associated Press membership of the Washington Post; the Associated Press franchise of the Washington Post and all bonds and all contract rights pertaining thereto; daily and Sunday circulation and list of subscribers of the Washington Post, with all files, records, and equipment pertaining thereto; all advertising contracts and all files and records and equipment pertaining thereto; the goodwill of the entire business now operated under the name of the Washington Post; the real estate, plant, machinery, job-printing equipment, delivery equipment, automobiles, furniture and fixtures, supplies, including paper stock, inks, metals, and other plant supplies, inventories, and all files and records pertaining thereto, being all of the properties of the present owner of such assets except cash,



notes, and accounts receivable, and stock and bonds other than the Associated Press bonds.

We hereby offer to purchase such properties upon the following terms and conditions:

1. That the consideration of the sale of such properties to us shall be \$3,000,000, of which \$20,000 in money is tendered herewith and of which \$780,000 in money shall be paid on or before July 15, 1931. The remainder of \$2,200,000 shall be paid in first-mortgage bonds of the undersigned company or its corporate assignee, due 20 years after July 15, 1931, bearing interest evidenced by coupons at the rate of 5 percent per annum from date until paid, payable semiannually on January 15 and July 15 of each year, which bonds may be retired at the option of the obligor at any time after issuance by the payment of the face amount thereof plus all unpaid accrued interest, including interest computed for the fractional period after the date of the last maturing coupon. Such bonds shall be secured by a first closed mortgage for \$2,200,000 on all of the properties purchased hereunder except said real estate, machinery, and equipment now constituting the plant of the Washington Post, which mortgage shall contain a provision that beginning July 15, 1937, and on each July 15 thereafter, to and including July 15, 1946, there shall be deposited by the obligor of such bonds in a sinking fund to be held and managed by a trustee selected by said obligor and the trustee for the bondholders one-fourth of the net earnings of the undersigned company or its corporate assignee if such net earnings shall equal or exceed \$200,000 for the next preceding year. If for any of such years the net earnings be less than \$200,000 there shall, nevertheless, be deposited by such obligor in the sinking fund \$50,000 in discharge of its sinking-fund obligations for the year, and the said trustee shall purchase with the money so deposited bonds at not exceeding par with accrued interest.

Said mortgage shall contain a further provision that beginning July 15, 1947, and on each July 15 thereafter, to and including July 15, 1951, there shall be deposited by the obligor of such bonds in such sinking fund one-fourth of the net earnings of the undersigned company or its corporate assignee if such net earnings shall equal or exceed \$400,000 for the next preceding year. If for any year after July 15, 1947, such net earnings be less than \$400,000 there shall, nevertheless, be deposited by such obligor in the sinking fund \$100,000 in discharge of its sinking-fund obligation for the year: *Provided, however*, That the aggregate amount of such sinking-fund deposits shall in no event exceed the amount of said bonds outstanding. After the payment of all expenses of the sinking fund all amounts so deposited therein with any accumulated income shall be used to retire such bonds in whole or in part, at or before the maturing thereof.

2. That in the event the undersigned company or its corporate assignee shall sell said real estate or machinery or equipment excepted by the foregoing paragraph from such mortgage, in whole or in part, all amounts received by the undersigned company or its corporate assignee therefor, immediately upon receipt, shall be deposited with the trustee of the sinking fund to be used by such trustee for the retirement pro tanto of such bonds at or before the maturity thereof, and said trustee shall purchase with the money so deposited bonds at not exceeding par with accrued interest.

3. That on July 15, 1931, upon the payment of the money consideration of \$780,000 and the delivery of the bonds herein specified, you will convey, transfer, and deliver to the undersigned company, or its corporate assignee the complete unencumbered title to and all property rights in and to all such properties without any liability on the part of the purchaser to pay or otherwise satisfy any of the debts, obligations, or undertakings of the present owner thereof or any claims, demands, or judgments against such owner.

4. That before the consummation of such sale the necessary steps will be taken by you, without cost to the undersigned company or its corporate assignee, to obtain if possible the approval or ratification by the proper court of the District of Columbia of the sale of such properties to the undersigned company or its corporate assignee for the considerations herein named, and to pass to the purchaser the complete unencumbered title to all such properties. Similarly, you will, without cost to us, defend any and all proceedings or other efforts to invalidate, set aside, or delay the sale of such properties to the undersigned company or its corporate assignee.

5. That all taxes on such properties, or any of them, for any year antedating the date of the sale thereof shall be paid by you and all such taxes for the current year shall be prorated between the buyer and seller on a time basis.

6. That this offer is made by David Lawrence, Inc., a corporation organized under the laws of the District of Columbia; but said David Lawrence, Inc., shall have the right to substitute as purchaser of such properties a corporation organized under the laws of the District of Columbia or the State of Delaware having the corporate name of David Lawrence Publications, Inc., and if such substitution be made, the substitute corporation shall acquire all of the rights and be subject to all of the liabilities and obligations herein granted or assumed by said David Lawrence, Inc.

7. That your acceptance of this offer may be evidenced by your signatures affixed at the foot hereof, immediately after the word "Accepted." Such acceptance, if made, will serve to convert this offer into an agreement of purchase and sale, subject to the approval of the court, binding on yourself and on the undersigned company and its corporate assignee.

Neither the undersigned company nor its corporate assignee assumes any liability whatsoever for any commission or other charge

made for consummating or assisting in the consummation of the sale herein proposed.

This offer of purchase will expire on Saturday, June 6, 1931, at 12 o'clock noon, unless accepted in writing before that date and hour. If it be not accepted on or before the date and hour just mentioned, you will be under obligation to repay to David Lawrence, president of the undersigned company, not later than June 8, 1931, 3 p. m., the entire amount, \$20,000, tendered herewith as part of the consideration of the sale proposed herein. If you accept this offer but, for any reason other than the inability of the undersigned company or its corporate assignee to consummate the sale herein proposed, such sale be not consummated, then you will be under similar obligation to repay to said David Lawrence at once said amount of \$20,000 tendered herewith.

If this offer be accepted, the undersigned company or its corporate assignee will accept an assignment or subletting of the lease now covering the Washington Post property on E Street between Thirteenth Street and Fourteenth Street, Washington, D. C., and will thereupon assume all of the obligations and be entitled to all of the benefits thereof.

Respectfully yours,

DAVID LAWRENCE, INC.,  
By DAVID LAWRENCE, President.  
JUNE 3, 1931.

AMERICAN SECURITY & TRUST Co.  
Attest:

FREDERICK P. H. SIDMONS, Secretary.

(Seal of American Security & Trust Co.)  
JUNE 6, 1931.

Accepted:

EDWARD B. McLEAN,  
CORCORAN THOM, President,  
Trustees of the estate of John R. McLean, deceased.

EUGENE MEYER'S FERFIDY

The following statement given the committee by another citizen was authenticated as true and correct by Colonel Peyser, who gave other evidence that will follow it:

Through influential friends Eugene Meyer learned that the Washington Post owed the International Paper Co. about \$100,000. Then it dawned upon him how he could take it over. On March 24, 1933, his friend, Harry Covington, filed in the Supreme Court of the District of Columbia a bill in equity, no. 55485, styled "International Paper Co. v. Washington Post", alleging that on March 21, 1933, the latter owed the former \$103,263.96, that the Post's assets were in excess of \$800,000, and that its liabilities approximately \$625,000.

Paragraph 7 of that bill in equity admitted that the Post was solvent and that its assets exceeded its liabilities and requested that a receiver be appointed. The Supreme Court of the United States in both the *Jones case* (261 U. S. 491) and the *Lyon Bonding Co. case* (262 U. S. 491) held that a simple contract creditor could not have a receiver appointed for a debtor where solvency existed; yet on the identical day, showing collusion, on the identical day that the suit was filed, Mr. Corcoran Thom, the executor of the McLean estate, through his attorney, Mr. Flannery, on March 24, 1933, immediately filed an answer admitting the bill and consenting to the appointment of the receiver—right in the face of the decision of the United States Supreme Court to the contrary.

Promptly the next day Benjamin Minor was appointed receiver, on March 25, 1933. Even though sick and incapacitated, Edward McLean, through an attorney, tried to intervene on April 14, 1933, but objection to his intervention was filed on April 19, 1933, by Harry Covington, and on May 9, 1933, he was denied the right to intervene. He was denied the right to come in there and protect the assets of his little minor children who owned the assets of the estate and concerning that newspaper, which once tentatively had been agreed to be sold for \$3,000,000.

On May 17, 1933, Harry Covington filed a supplemental bill asking that the receiver be authorized to sell the Washington Post. On that identical day, showing collusion, May 17, 1933, Corcoran Thom, through this attorney, Flannery, filed his consent to such sale. On that identical day, May 17, 1933, the order of sale was issued empowering the receiver, Benjamin Minor, to sell the Washington Post.

Thereafter, on account of Edward McLean being sick in a sanitarium and incapacitated for business, Mrs. Edward McLean made arrangements to protect the interests of her children in an attempt to buy in the Washington Post and thus saving the family heritage.

She knew the debts against it totaled only \$625,000 and that the bill in equity alleged it to be worth over \$800,000. She knew it really was worth about \$3,000,000, but she never dreamed that any outsider would bid more than the \$800,000, so she arranged for enough money to bid up as high as \$800,000. She knew nothing of Eugene Meyer's scheme; she knew nothing of his plots; she did not know about his conspiracy; she did not know that he was going to have a dummy at said sale representing him; she did not know that Eugene Meyer was all prepared to defraud her and her minor children; but Eugene Meyer had George Hamilton at said sale as his secret dummy and she realized that it was being run up on her, so finally she was forced to bid her entire \$800,000, but she had no more money.

Then Eugene Meyer's dummy, George Hamilton, bid \$825,000, and on June 5, 1933, the sale of the Washington Post was approved to George Hamilton at \$825,000. On June 12, 1933, said sale was ratified by order of the court, and immediately on that identical day, George Hamilton, Eugene Meyer's secret dummy at said sale, as-

signed and transferred the Washington Post to the Eugene Meyer Publishing Co., and Eugene Meyer immediately incorporated it for \$1,250,000.

On August 2, 1933, the court allowed Benjamin Minor a fee of \$40,000 in payment of his services as receiver, which service consisted mostly in his having signed his name a few times. On the same day, August 2, 1933, the court allowed a fee of \$12,000 jointly to the two attorneys, Mr. Covington and Mr. Flannery.

#### FROM COLONEL PEYSER'S TESTIMONY

Mr. BLANTON. Were you ever president of the bar association here?

Mr. PEYSER. I was president of the Bar Association of the District of Columbia and vice president of the American Bar Association.

Mr. BLANTON. How long have you resided in Washington?

Mr. PEYSER. I was born here. My family has lived here about 100 years.

Mr. BLANTON. You personally have lived here and have been actively engaged in business for about 40 years?

Mr. PEYSER. Let us make it 38 years.

Mr. BLANTON. How long have you lived here?

Mr. PEYSER. I have lived here 80 years.

Mr. BLANTON. Certain information came to our committee, Mr. Peyser, about which we want to interrogate you. I quote from it as follows:

"In the early part of the year 1931, Col. Julius Peyser represented Mr. Edward B. McLean as attorney in some pending litigations in Washington, D. C., and during his contact Mr. McLean suggested the sale of the Washington Post. Mr. McLean told Colonel Peyser that several offers had been made, but they had been rejected, and he suggested that Colonel Peyser see Mr. Corcoran Thom, of the American Security & Trust Co. A few days after the conference, Colonel Peyser saw Mr. Thom, and he informed him that former Chief Justice Covington, of the District of Columbia, who was then practicing law, had a buyer, Mr. Eugene Meyer, for the Washington Post, and all of its rights for the sum of \$5,000,000."

Mr. PEYSER. Yes, sir.

Mr. BLANTON. Thus far is the statement correct?

Mr. PEYSER. Yes, sir; Mr. Meyer had negotiated with Mr. Thom, who was the president of the American Security & Trust Co., and offered him \$5,000,000 for the Washington Post.

Mr. BLANTON. I quote further:

"Mr. Thom also stated that that price (\$5,000,000) had been rejected but did not give Colonel Peyser the reason why it had been rejected. He did say that times have changed and that they would be willing and ready to accept another offer for the Post if sufficient cash were paid to justify the sale. Colonel Peyser discussed the matter with three persons who had affiliations with newspapers to wit: John Callan O'Laughlin, Frederick William Wile, and David Lawrence; also with a New York concern who had been anxious to purchase. Colonel Peyser spent several months talking to McLean until he consented to sell the Post to David Lawrence on the basis of \$3,000,000, with \$800,000 in cash and the balance secured by a mortgage on the building, plant, and A. P. franchise for a morning daily paper."

Mr. PEYSER. By franchise is meant the Associated Press franchise. That is the only morning paper that has the A. P. franchise; the only morning paper.

Mr. BLANTON. Up to this time, are the facts detailed here correct?

Mr. PEYSER. Absolutely correct, sir.

Mr. BLANTON. I quote further:

"The contracts were regularly drawn, signed by the American Security & Trust Co., Edward B. McLean, and David Lawrence."

Mr. BLANTON. The Washington Post really was part of the estate of John R. McLean, was it not?

Mr. PEYSER. It came out of the estate. It was a corporation organized for the purpose of publishing the Washington Post, independent of trustees.

Mr. BLANTON. I quote further:

"It was discovered that the Post would have some liabilities, but the estate of John R. McLean was able to take care of this indebtedness without any sacrifice. The sale to Mr. Lawrence was not made. The American Security & Trust Co. made many attempts to oust Mr. McLean as one of its trustees under his father's will."

Now, Colonel Peyser, without going into the details of the matter, which may involve some confidential information and relationships, which might deter you, is it not a fact that you do know that there was certain action in the District by many parties interested directly and indirectly that forced Mr. McLean out of the Washington Post and took from him his right to sell it?

Mr. PEYSER. Yes.

Mr. BLANTON. That is a fact?

Mr. PEYSER. I know it is an absolute fact, because I was in two of the cases; later my son-in-law and myself were in the cases—were in the last case before Mr. Justice Bailey.

Mr. BLANTON. While Colonel Peyser's associate is finding the contract, I have a statement here that has just been sent me by Mrs. Edward B. McLean, wife of Edward McLean, who owned the Post. This is dated, "Friendship." Friendship is her home?

Mr. PEYSER. That is the McLean estate house.

Mr. BLANTON. That is the McLean estate out here on Wisconsin Avenue?

Mr. PEYSER. Yes.

Mr. BLANTON. I quote her statement:

"FRIENDSHIP, February 7, 1936.

"Hon. THOMAS L. BLANTON.

"DEAR MR. CONGRESSMAN: I am giving you this information at your request for the use of your committee.

"I offered the American Security & Trust Co. in writing and through my lawyers my real-estate lots in Washington known as the Oxford corner, which was at that time unencumbered, with no mortgage or lien against it, in exchange for the Washington Post. At one time I refused a cash offer for this property of \$2,500,000."

You know that Oxford property at the corner of Fourteenth and H?

Mr. PEYSER. Yes.

Mr. BLANTON (reading):

"At one time I refused a cash offer for this property of \$2,500,000, and it is now assessed, I believe, at around \$1,400,000. Later I again offered the same property after I had put a mortgage on it of less than \$100,000.

"At the public sale I had my lawyers bid to the extent of my resources. It was my desire and dream to keep the Post in the family for my three children, but fate was against me.

"Sincerely yours,

"EVELYN McLEAN."

Mr. PEYSER. Fate was not against her. Mr. Thom was against her. The answer to her proposition. The John R. McLean estate had sufficient money on hand, assets, to pay off the debts of the Washington Post if they wanted to. They had paid off the debts of the Cincinnati Enquirer and had paid other debts on property and made a loan on the Vermont Avenue property, and could very easily have paid the International Paper Co. and the other miscellaneous debts if they desired.

Mr. JOHNSON. Let me ask you this question: Could they have paid those debts at the time the suit was filed?

Mr. PEYSER. Oh, easily. It would not have been any trouble.

#### DEFAUDING THE GOVERNMENT OF TAXES

Now, I am going to show, Mr. Chairman, just how Eugene Meyer defrauds the Government out of taxes. Remember that he once offered \$5,000,000 for the Post. Remember that David Lawrence signed up a contract agreeing to pay \$3,000,000 for the Post. After Eugene Meyer succeeding in getting the fraudulent suit in equity brought by the paper company, and had the fraudulent receivership proceedings, and got the Post sold at auction, and through a dummy bought it in for \$825,000, and immediately thereafter incorporated it for \$1,250,000, and then spent quite a large sum of money on it improving it and paying off its debts, he now has it assessed, altogether, at \$600,000—in round numbers—for tax purposes, as I will show in a few minutes.

#### PROPERTY RENDERED FAR BELOW REAL VALUE

I quote the following from the hearings to show that property is assessed for taxes far below its market value:

"Mr. CANNON (reading from map). There is one piece of property that in September 1919 sold for \$4,500, but for which the jury compelled the Government to award \$11,500.

"Here is one piece of property, lot no. 40, which in June 1919 sold for \$12,000, and for which the Government had to pay \$25,000.

"Here is another piece of property, lot no. 32, an inside lot, which on July 19, 1922, sold for \$3,800, and for which the Government was required to pay \$8,250.

"Here are two lots which in November 1923 sold for \$16,500, which cost the Government, under the award of the jury, \$37,500; and another lot which in August 1922 sold for \$11,000, but for which the Government was charged \$28,500.

"Here is another lot, lot no. 832, which in January 1919 sold for \$3,500, but for which the jury awarded \$12,500."

Mr. RICHARDS. That was the Supreme Court site.

Mr. BLANTON. This data refers to the properties acquired, through condemnation, for the new Supreme Court Building.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. I read from the tax assessor's data. The following lots are in square 727: Lot no. 18 had sold for \$4,500, and the jury awarded \$11,500; lot 19 had sold for \$5,500, and the jury awarded \$8,500; lot no. 39 sold for \$11,000, and the jury awarded \$16,000; lot no. 40 sold for \$12,000, and the jury awarded for it \$25,000; lot no. 41 sold for \$10,500, and the jury awarded for it \$16,000; lot no. 804 sold for \$3,000, and the jury awarded for it \$14,500; lot no. 32 sold for \$3,800, and the jury awarded for it \$8,250.

The following lots are in square 728:

Lot no. 801 sold for \$4,800, and the jury awarded for it \$7,500; lot no. 802 sold for \$6,000, and the jury awarded for it \$12,000; lot no. 807 sold for \$15,000, and the jury awarded for it \$26,000; lots nos. 809 and 810 were sold for \$16,500, and the jury awarded for them \$37,500; lot no. 814 was sold for \$11,000, and the jury awarded for it \$28,500; lot no. 822 was sold for \$5,650, and the jury awarded for it \$10,000; lot no. 823 was sold for \$8,500, and the jury awarded for it \$17,000; lot no. 826 was sold for \$14,500, and the jury awarded for it \$19,500; lot no. 827 was sold for \$15,000, and the jury awarded for it \$19,500; lot no. 31 was sold for \$5,100, and the jury awarded for it \$13,000; lot no. 832 was sold for \$3,500, and the jury awarded for it \$12,500.



This statement shows that in the case of property which had sold for \$163,850, a jury of Washington citizens, who passed on the matter, required the Government to pay \$302,750 in order to secure the property for the Supreme Court Building.

#### THE PROOF OF THE PUDDING

As to whether anyone is overtaxed can easily be disproven by showing the taxes they pay and the value at which their property is assessed and the rate. I quote the following from the hearings as official facts furnished by the tax assessor of the District, who has filled the office for the past 27 years:

#### THE WASHINGTON POST

We will take up now the Washington Post, which is owned by Mr. Eugene Meyer and his corporation. He renders the real-estate property of the Washington Post at an assessed value of \$117,860, upon which an annual tax is paid of \$1,767.90. Part of the real-estate taxes is on leased property, the lease requiring the Post to pay same. It renders tangible personal property at \$320,260, upon which the tax is paid of \$4,803.90. It renders intangibles at \$218,456, upon which it pays an annual tax of \$1,092.28. Thus the Washington Post's aggregate properties are rendered at an assessed value of \$656,576, upon which it pays a total annual tax of only \$7,663.08.

It pays water rent for 2,290,000 cubic feet of water per year of \$1,203.57 for the Post's big plant and office building. Substantial citizens have filed evidence with this committee claiming that the Washington Post was worth \$3,000,000, and that Eugene Meyer, through a collusive proceeding, swindled the McLean heirs out of it, having it foreclosed, and through a dummy buying it at auction for \$825,000 and then incorporating it for \$1,250,000.

#### EUGENE MEYER

Now, personally, Mr. Eugene Meyer, the owner of the Washington Post, in the way of taxes only pays the water rent on his wife's fine residence properties of \$53.92 per year for 97,300 cubic feet of water. He renders a fine Packard family car, upon which he pays an annual tax of only \$29.92, plus \$1 for license tags.

For last year he rendered three Plymouth cars, one Witt-Will car, one Dodge, one Chevrolet, and one Ford, upon which he paid total taxes on all seven of them of \$45.67, plus \$7 for license number tags for all of them. This year only six automobiles are rendered.

Eugene Meyer's residence is in his wife's name, Mrs. Agnes Meyer, situated on lot 806, square 2568, the land being rendered at \$79,797, and the improvements at \$138,000, or a total of \$214,797, and then she has 12 other lots rendered in her name connected with her residence and running to Sixteenth Street, rendered at \$72,826, totaling \$287,623, upon which the total tax paid on their family real estate is \$4,314.35, and the value of her intangibles is \$608, and the tax on her intangibles is \$3.04.

Her tangible personal property is rendered at \$30,000, and the tax on same is \$450, or her total tax was \$4,767.39 last year.

The following is Eugene Meyer's rendition of automobiles for this year:

#### STATEMENT BY TAX ASSESSOR, FEB. 3, 1936

Eugene Meyer & Co., doing business under the name of the Washington Post, 1337 E Street NW., Washington, D. C., 1936 registrations

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee	Weight, pounds
<b>Passenger:</b>						
Ford tudor sedan, 1936		18-2350668	\$560	\$8.40	\$1	
Plymouth tudor sedan, 1933	1831551	PC-90596	215	3.22	1	
Plymouth delivery coupe, 1933	2068031	PD-72946	225	3.37	1	
Plymouth business coupe, 1934	2200103	PP-114623	315	4.72	1	
Ford standard coupe, 1934		18-654141	280	4.20	1	
Commercial: Witt-Will truck, 1929	1004	16C8570		1.00	1	1,100
<b>Total</b>			<b>1,662</b>	<b>24.91</b>	<b>6</b>	

Here is the personal-tax rendition of Mr. Floyd R. Harrison, comptroller of the Washington Post. He renders no return on real property; he renders no personal property; he renders no property of any kind and pays no taxes. But there is a mandamus pending against him now.

As to that I quote from the hearings:

Mr. RICHARDS. We tried to get him to make a return on his personal property.

Mr. BLANTON. You tried to get him to make a return and he would not do it?

Mr. RICHARDS. Yes.

Mr. BLANTON. And you have a mandamus proceeding against him?

Mr. RICHARDS. We are trying to make him do it, and he will do it before we get through, too.

Mr. BLANTON. I assume that the comptroller of the Washington Post ought to have some property, and ought to pay some taxes.

#### DAVID LAWRENCE

For instance, let us take Mr. David Lawrence—editor of the United States News—whose residence is at 3900 Nebraska Avenue, its assessed value being \$133,390, upon which he pays an estate tax of \$2,000.88 annually.

He has tangible personal property assessed at \$3,000, upon which a tax of \$45 is paid, and he has intangibles assessed at \$216, on which a tax of \$1.08 is paid. He pays an annual water rent of \$24.49 for his fine \$133,390 residential property.

Mr. Lawrence is shown by a recent statement in the Washington papers to have received an annual salary or income last year of \$18,700. He renders a Cadillac automobile, for which he pays a personal tax of \$1.80, and he also pays \$1 for the annual license tag on his Cadillac automobile.

#### THEODORE NOYES

Then there is Mr. Theodore Noyes, who is one of the officials and part owner of the Washington Star. He is the chairman of the board of the Washington Star, and the newspapers here the other day stated that his salary or income last year was \$42,120.

Personally he renders his residential property at 1730 New Hampshire Avenue NW. at an assessed value of \$65,500, upon which he pays an annual tax of \$982.50.

He has tangible personal property assessed at \$7,500, upon which he pays a tax of \$110.50.

He renders intangible property aggregating \$621,520, upon which he pays a tax of \$3,107.60, which is at the rate of one-half of 1 percent for intangibles.

He renders for taxes two family automobiles, an Auburn and a Lincoln, upon which he pays a personal tax on those two automobiles aggregating \$57.75 per annum.

His annual water rent is only \$23.05 on his fine residential property.

#### FLEMING NEWBOLD

Here is his business manager of the Washington Star, Mr. Fleming Newbold, who the Washington papers stated received a salary or income last year of \$31,543. He renders his residential property at 1720 Massachusetts Avenue NW., at \$31,455, upon which he pays an annual tax of \$471.82. He renders intangible property of \$40,728, upon which he pays an intangible tax of \$203.64.

He renders tangible personal property of \$4,500, upon which he pays a tax of \$67.50.

He renders two family automobiles, both Packards, for which he pays an annual total tax of only \$2.87 for the two Packards, and he pays \$2, covering \$1 apiece, for the automobile license tags on them, and his water rent on his residence property is only \$10.45 per year.

#### THE WASHINGTON STAR

Now, the Evening Star, at Eleventh and Pennsylvania Avenue NW.—Theodore Noyes' newspaper—renders real property, a list of which I am going to have incorporated into the record here, and it totals in assessed value \$2,249,586, upon which the Evening Star pays an annual tax of \$33,743.80 for this year. In 1933 the real estate just referred to was assessed at a value of only \$2,262,639, or the sum of \$13,053 more in 1933 than it is assessed now, showing that they got their part of the arbitrary \$130,000,000 reduction in the assessed valuation of properties testified to by Commissioner Hazen.

(The square and lot numbers referred to, together with the taxes paid thereon, are as follows:)

*Real estate taxes paid by the Evening Star Newspaper Co.*

Square 737:	
Lot 1	792
Lot 2	792
Lot 3	792
Lot 4	1,092
Lot 5	792
Lot 6	792
Lot 7	792
Lot 8	792
Lot 9	792
Lot 10	792
Lot 11	792
Lot 12	792
Lot 13	792
Lot 14	792
Lot 15	20,792
Lot 30	2,682
Lot 31	148,140
Lot 32	2,868
Lot 800	1,904
Lot 801	1,615
Lot 802	2,563
Lot 803	2,257
Lot 806	379
Lot 807	371
Lot 808	372
Lot 809	59
Square 322:	
Lot 19	1,621,227
Lot 801	98,780

*Real estate taxes paid by the Evening Star Newspaper Co.—Contd.*

Square 348:	
Lot 815	\$40,064
Lot 15	71,456
Lot 812	65,120
Lot 816	40,164
Square 92: Lot 67	43,642
Square 137:	
Lot 50	37,935
Lot 51	35,808
Total	2,249,586

Mr. William P. Richards, tax assessor, who prepared all this data, is present listening to me, and he will tell you that he has verified as correct all of the facts I will give you concerning taxes paid here.

Now, the Evening Star renders personal tangible property at an assessed value of \$453,092, upon which it pays an annual tax of \$6,796.38. It renders intangible property at an assessed value of \$2,296,512, upon which it pays an annual tax of \$11,482.56.

Its annual water charge for its big plant and office building covering 1,622,000 cubic feet of water is \$853.14 a year.

Last year it had 84 automobiles, upon which it paid a total tax of \$3,791, personal property tax, plus \$84, covering \$1 each for the 84 cars for their license tags. This year its automobile tax furnished by Mr. Richards is as follows:

1936 registration records—Cars titled in name of the Evening Star Newspaper Co., 1101 Pennsylvania Ave. NW., Washington, D. C.

PASSENGER VEHICLES

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee
Plymouth tudor sedan, 1935	1039085	PJ3049	\$430	\$6.45	\$1.00
Chevrolet coach, 1932	12BA126647	3027670	140	2.10	1.00
Ford coupe, 1932		B5124272	115	1.72	1.00
Chevrolet sedan, 1931	2AE85941	2764523	100	1.50	1.00
Chevrolet coupe, 1935	12ECO6-12668	M5258139	400	6.00	1.00
Chevrolet coupe, 1932	2BA123248	2974665	140	2.10	1.00
Ford coupe, 1936		18-2403710	560	8.40	1.00
Ford Tudor, 1936		18-2306722	560	8.40	1.00
Ford Tudor, 1936		18-2226991	560	8.40	1.00
Chevrolet coupe, 1929	12AC13100	193533	67	1.00	1.00
Chevrolet coupe, 1929	12AC12091	161995	67	1.00	1.00
Chevrolet coupe, 1935	14EC04-1961	M4996481	400	6.00	1.00
Ford Tudor, 1936		18-2300485	560	8.40	1.00
Total			3,965	61.47	13.00
Grand total					74.47

MOTORCYCLES AND COMMERCIAL

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee	Rated capacity
Motorcycle: Harley Davidson, 1935		35VD-7164	\$190	\$2.85	\$1.00	
Commercial:						
Electric truck, 1921		23062	90	1.35	38.90	5 tons.
Dodge sedan del., 1935		8055526	T12-9285	485	7.27	1.00 ½ ton.
Do		8055635	T12-9462	485	7.27	1.00 1,000 pounds.
Chevrolet truck, 1926		12V408710	T2817307	67	1.00	2,000 pounds.
Dodge sedan del., 1935		8055525	T122267	485	7.27	1.00 ½ ton.
Ford sedan del., 1930			18-1641365	485	7.27	1.00 Do.
Chevrolet truck, 1926			3933886	70	1.05	1,000 pounds.
Yellow cab truck, 1926		2V12714	T280385	67	1.00	2,000 pounds.
GMC truck, 1927		3729	V713600	75	1.12	3,500 pounds.
Do		2903	1964429	85	1.27	2,000 pounds.
Ford delivery, 1935		1008	1862160	85	1.27	1,000 pounds.
Yellow Cab truck, 1926			18-1760570	485	7.27	1.00 ½ ton.
Dodge sedan del., 1935		3553	7468	75	1.12	3,000 pounds.
Ford delivery, 1935		8055533	T12-9282	485	7.27	1.00 ½ ton.
Dodge panel, 1935			18-1760519	485	7.27	1.00 Do.
Dodge truck, 1932		8046449	T5-24355	505	7.57	1.00 Do.
Dodge panel, 1935		8482216	2DD3545	225	3.37	1.00 1½ tons.
Yellow Cab truck, 1925		8046457	T5-25454	505	7.57	1.00 ½ ton.
Yellow Cab truck, 1925		3483	7464	67	1.00	3,000 pounds.
Do		3433	7421	67	1.00	1.00 Do.
Studebaker truck, 1932		3518	7516	67	1.00	1.00 Do.
Dodge truck, 1932		3350178	4362	330	4.95	1.00 4,110 pounds.
Studebaker truck, 1932		8482204	2DD3526	225	3.37	1.00 1½ tons.
Ford panel truck, 1932		3350177	4359	330	4.95	1.00 4,110 pounds.
GMC truck, 1927			BB5161236	195	2.92	1.00 1½ tons.
Chevrolet sedan del., 1932		1670	1946875	67	1.00	2,000 pounds.
GMC truck, 1932		12HA0215306	3132589	130	1.95	1,000 pounds.
Dodge truck, 1932		862	12572315	440	6.90	1.00 3,000 pounds.
Ford truck, 1933		8482202	2DD3531	225	3.37	1.00 1½ tons.
GMC truck, 1933			528493	285	4.27	1.00 Do.
Ford truck, 1933		7981	12215003	450	6.75	1.00 Do.
Yellow Cab truck, 1926			526526	260	3.90	1.00 Do.
Dodge commercial sed., 1935		3777	V713845	75	1.12	3,500 pounds.
Chevrolet sed. del., 1932		8055624	T12-9454	485	7.27	1.00 ½ ton.
Dodge com. sed., 1935		12BAO-125314	3132526	170	2.55	1,000 pounds.
		8046448	T-21042	505	7.57	1.00 ½ ton.



1936 registration records—Cars titled in the name of the Evening Star Newspaper Co., 1101 Pennsylvania Ave. NW., Washington, D.C.—Continued  
MOTORCYCLES AND COMMERCIAL—Continued

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee	Rated capacity
Commercial—Continued.						
Studebaker truck, 1932	3350180	4354	\$330	\$4.95	\$1.00	4,110 pounds.
Do.	3350179	4360	330	4.95	1.00	Do.
Dodge panel, 1935	8046455	T5-24419	505	7.57	1.00	1½ ton.
Dodge truck, 1932	8482203	2DD3534	225	3.37	1.00	1½ tons.
Chevrolet truck, 1929	12LQ2552	T170633	67	1.00	1.00	2,000 pounds.
Do.	11LQ7880	T752502	67	1.00	1.00	Do.
Do.	12LQ4799	T441400	67	1.00	1.00	Do.
Do.	12A C58134	800763	67	1.00	1.00	Do.
Do.	12A C67846	909325	67	1.00	1.00	1,000 pounds.
Chevrolet sed. del., 1932	12EA15338	3132609	170	2.55	1.00	1½ ton.
GMC truck, 1928	2922	1969078	115	1.72	1.00	3,000 pounds.
Ford truck, 1928		A33495	85	1.27	1.00	Do.
Do.		A110897	85	1.27	1.00	Do.
Total				11,250	179.62	87.00
Grand total of tax and registration fee for passenger vehicles, motorcycles, and commercial vehicles						341.09
Total number of vehicles registered, 63.						
Total assessed value of vehicles registered, \$16,086.						

## FRANK B. NOYES

To give you the entire picture of the Evening Star, I will give you the taxes paid by Mr. Frank B. Noyes, president of the Evening Star. The Washington newspapers the other day stated that his annual salary or income last year was \$42,120.

Personally, Mr. Frank B. Noyes, president of the Washington Star, renders no real estate for taxes. He renders tangible personal property of \$20,000, upon which he pays an annual tax of \$300. He renders intangible property at \$92,900, upon which he pays a tax of \$464.50.

He renders for taxes his family car, a Stutz automobile, for which he pays a personal tax of only \$1 per year, and he pays a \$1 charge per year for license number tags.

## HEARST'S HERALD AND TIMES

## C. DORSEY WARFIELD

Both the Washington Herald and the Washington Times are incorporated under the name of "American Newspapers, Inc."

Mr. C. Dorsey Warfield is the assistant publisher of the Times. He pays no real-estate taxes. He pays on tangible personal property, at an assessed value of \$2,500, the sum of \$37.50. On intangibles, at an assessed value of \$148, he pays 74 cents, and, on a family automobile, a Dodge, he pays \$9.30. That is the total tax that the Times' assistant publisher pays.

## ELEANOR PATTERSON

Now, with regard to the Washington Herald, unless a change has been made recently, Mrs. Eleanor Patterson, of 15 Dupont Circle, is the editor of the Herald. She is one of those whose taxes I was asked to check up. Here is her rendition. She has a residence at 15 Dupont Circle.

It is one of the finest residences in Washington. It is assessed at the value of \$261,731. Upon that a tax is paid of \$3,925.96.

She renders tangible personal property of \$75,000 assessed value, upon which a tax is paid of \$1,125. She renders intangible property of the value of \$1,090,324, upon which a tax is paid of \$5,451.62.

She pays an annual water rent on that extensive property of \$81.80 per year for 153,300 cubic feet of water.

She renders four family automobiles—one Cadillac, two Packards, and one Chrysler—on the combined total of which she pays a personal property tax of only \$30.66 a year, plus \$4 for license-number tags on them.

## ARTHUR G. NEWMYER

On the editorial page of the Washington Times, published by American Newspapers, Inc., which also publishes the Herald, there is given the name of Arthur G. Newmyer, publisher; J. J. Fitzpatrick, managing editor; and William C. Shelton, business manager.

Mr. Arthur G. Newmyer, the publisher of the Washington Times, lives at the Mayflower Hotel. He renders tangible personal property of the assessed value of \$4,500, upon which he pays a tax of \$67.50 per year.

He renders intangible property of an assessed value of \$664, upon which he pays a tax of \$3.32. That is all the tax that he pays in Washington.

## J. J. FITZPATRICK

Mr. J. J. Fitzpatrick, the editor of the Washington Times, who lives at 3415 Fulton Street NW., in another's property, renders tangible personal property of the value of \$60, upon which he pays a tax of 90 cents.

He renders intangible property of the assessed value of \$108, upon which he pays a tax on intangibles of 54 cents.

He renders a family automobile, upon which he pays a tax of \$8.17, plus \$1 for license tag.

He pays an annual water rent per annum of \$7.80.

Thus the editor of the Washington Times, on his personal property, his intangibles, on his automobile, for his license-number tags, and for water furnished him a whole year, pays in all a total of only \$18.11 taxes per annum for living in the Nation's Capital.

## WILLIAM C. SHELTON

Mr. William C. Shelton, the manager of the Washington Times, on his residence at 3517 Rittenhouse Street NW., which he renders at an assessed value of \$16,898, pays an annual real-estate tax of \$253.48.

There is, concerning his personal tangible property and also his intangible property, a mandamus proceeding pending.

He renders two family automobiles, one a Dodge and one a Buick, upon which he pays an aggregate annual tax of only \$19.72, plus a dollar each for the license tags on the two cars.

He pays an annual water rent of \$15.76 on water for his residence property per year.

## WASHINGTON HERALD-WASHINGTON TIMES

The Washington Herald and the Washington Times, combined, assessed as the American Newspapers, Inc., on lots 39 and 803, in square 250, city of Washington, render real estate at an assessed value of \$709,108, upon which is paid an annual real-estate tax of \$10,636.62.

It renders tangible personal property of an assessed value of \$224,984, upon which it pays an annual tax on tangible personal property of \$3,374.76.

It renders intangible property at an assessed value of \$306,676, upon which it pays a tax on intangibles of \$1,533.38.

It pays water rent on 4,039,500 cubic feet of water, per annum, of \$1,992.33.

The difference between its assessment on real estate in 1933 and the present year is as follows:

In 1933 its assessed value on real estate was \$770,004. Now it has been reduced to \$709,108. Thus since 1933 it has been granted a decrease of \$61,896 on the assessed value of its real estate.

## WASHINGTON NEWS

The Washington News at Thirteenth Street NW., between K and L, square 284, lot 823, renders its real estate at an

assessed value of \$209,100 and pays an annual real-estate tax of \$3,136.50.

It renders tangible personal property of the assessed value of \$83,392, upon which it pays a tax upon tangible personal property of \$1,250.88.

It renders intangible property of an assessed value of \$71,896, upon which it pays an annual tax on intangibles of \$359.48.

For 598,000 cubic feet of water furnished it annually, it pays \$276.35 per year.

#### UNITED STATES NEWS

The United States News, which I mentioned is edited by Mr. David Lawrence, whose personal taxes I gave you awhile ago, renders its real estate at 2201 M Street NW., on lot 816, square 50, at an assessed value of \$115,274, upon which it pays an annual real-estate tax of \$1,729.12.

It renders tangible personal property of an assessed value of \$43,912, upon which it pays an annual tax of \$658.58.

It renders intangible property of an assessed value of \$39,328, upon which it pays an annual tax on intangibles of \$196.64.

For 280,000 cubic feet of water per annum, it pays \$148.31.

#### LABOR

The weekly publication known as Labor, upon its office building and plant at First Street and Constitution Avenue NW., on lots 16 and 45, square 635, renders its real estate at an assessed value of \$189,019, upon which it pays an annual real-estate tax of \$2,835.28.

It renders tangible personal property at an assessed value of \$20,000, upon which it pays an annual tax of \$300.

It renders no intangible property.

For 88,600 cubic feet of water furnished it per annum, it pays \$55.33.

#### NATIONAL PRESS BUILDING

The National Press Building Corporation, on its office building at Fourteenth and F Streets NW., lot 826, square 254, renders its real estate at an assessed valuation of \$5,830,084, upon which it pays an annual real-estate tax of \$87,451.26.

It renders tangible personal property of the assessed value of \$184, for which it pays an annual tax of \$2.76.

Its intangible property is rendered at an assessed value of \$431,056, upon which it pays an annual tax of \$2,155.28.

For 4,798,600 cubic feet of water per year furnished its fine office building, one of the finest in the city, it pays an annual water charge of \$2,520.59.

#### FRANK ARMSTRONG

Mr. Frank Armstrong, president of the National Fruit Products, who the papers said recently had a salary last year of \$25,000, renders for real estate \$11,075, upon which he pays an annual real-estate tax of \$166.12.

He renders tangible personal property in the amount of \$1,000, upon which he pays an annual tax of \$15.

He renders no intangibles.

He renders one family automobile, a Buick, upon which he pays an annual tax of \$23.62, plus a dollar for license-tag fee.

He pays an annual water rent of \$6.56.

#### HENRY N. BRAUNER

Mr. Henry N. Brauner, who is president of the Chestnut Farms-Chevy Chase Dairy, and who the newspapers reported recently drew a salary last year of \$27,000 per year, renders real estate of an assessed value of \$50,713, upon which he pays an annual real-estate tax of \$760.70.

He renders tangible personal property of the assessed value of \$2,000, upon which he pays an annual tax on tangible property of \$30.

He renders intangible property of the assessed value of \$265,860, upon which he pays an annual tax on intangibles of \$1,329.30.

He renders for taxes two family automobiles, being two Packards upon which he pays an aggregate tax of \$30.92 per annum.

His annual water rent is \$28.45.

#### J. M. DORAN

Mr. J. M. Doran, administrator of Distilled Spirits Institute, who, the newspapers recently said, drew a salary last

year of \$30,000, renders real estate of the assessed value of \$9,008, upon which he pays an annual tax on real estate of \$135.12.

There is a mandamus proceeding pending against him now by the District to force him to render for taxes his tangible personal property.

He renders for taxes one family automobile, a Willys, upon which he pays an annual personal tax of \$5.17.

His annual water rent on his residence at 1231 Thirty-first Street NW., is \$5.21.

#### MORRIS CAFRITZ

Mr. Morris Cafritz, who lives at the Ambassador Hotel and who, the newspapers reported recently, drew a salary of \$20,000 last year, renders no real estate, no tangible personal property, but renders intangible property of the assessed value of \$656, upon which he pays an annual tax on intangibles of \$3.28.

He renders a family automobile, which is a Cadillac, upon which he pays an annual tax of \$4.50 plus \$1 for the license tax, making a total tax that he pays to the District of Columbia of \$8.78.

#### JOHN H. DAVIS

Mr. John H. Davis, manager of Judd & Detweiler, one of the leading printing and engraving firms in Washington, and who, the newspapers reported recently, drew a salary last year of \$27,520, renders real estate of the assessed value of \$27,101, upon which he pays an annual real-estate tax of \$406.52.

He renders no tangible property.

He renders intangible property of the assessed value of \$22,248, upon which he pays an annual tax on intangibles of \$111.24.

He renders two family automobiles, which are two Oldsmobiles, upon which he pays an aggregate tax of \$17.62, for both.

For water charges on his property he pays an annual water charge of \$32.81.

#### ROBERT V. FLEMING

Mr. Robert V. Fleming who, by the way, is a magnificent gentleman and my friend, and who is president of the Riggs National Bank, and who the newspapers recently reported drew a salary last year of \$37,600, renders real estate, it being his home at 2200 Wyoming Avenue NW., at an assessed value of \$25,050, upon which he pays an annual real-estate tax of \$375.76.

He renders tangible personal property of the assessed value of \$2,500, upon which he pays an annual tax on tangible property of \$37.50.

He renders intangible property of the assessed value of \$644, upon which he pays an annual tax on intangibles of \$3.22.

He renders a family automobile, which is a Packard, upon which he pays an annual tax of \$3.75 plus \$1 for license-tax registration.

For his residence he pays an annual water charge of \$12.33.

#### M. G. GIBBS

Mr. M. G. Gibbs, president of the Peoples Drug Stores, who, the newspapers recently reported, drew a salary last year of \$50,000, renders no real estate, but renders tangible personal property of the value of \$1,500 upon which he pays an annual tax of \$22.50 on tangibles.

He renders intangible property of the assessed value of \$129,464, upon which he pays an annual tax on intangibles of \$647.32.

He renders two family automobiles, one a Lincoln and one a Packard, upon which he pays an aggregate tax of \$24.22 per annum plus \$1 each for license tags.

#### E. C. GRAHAM

Mr. E. C. Graham, president of the National Electric Supply Co., who the papers recently reported drew a salary last year of \$22,569, rendered real estate of the assessed value of \$27,900, upon which he pays an annual tax of \$418.50.

He renders tangible personal property of the value of \$400, upon which he pays a tax on tangible property of \$6 per year.



He renders intangible property of the assessed value of \$6,596, upon which he paid a tax last year of \$32.98.

He renders for taxes three family automobiles, one a Packard, one a Pontiac, and one an Oldsmobile, upon which he pays a combined aggregate tax of \$27.97 per annum, plus \$3 covering the license-tag charges, \$1 for each car.

The water charge for his residence is annually \$18.53.

#### JOHN I. HAAS

Mr. John I. Haas, who is president of John I. Haas, Inc., who the newspapers recently reported drew a salary last year of \$30,000, and who lives at the Wardman Park Hotel, rendered no real estate, but rendered tangible personal property of the assessed value of \$1,500, upon which he paid an annual tax on tangibles of \$22.50.

He rendered intangible property of the assessed value of \$24,064, upon which he paid an annual tax on intangibles of \$120.32.

#### FRED J. HAAS

Mr. Fred J. Haas, who is vice president of John I. Haas, Inc., who the newspapers recently reported drew a salary last year of \$26,000, renders no real estate, but renders tangible personal property of the assessed value of \$700, upon which he pays an annual tax of \$10.50.

He renders intangibles of an assessed value of \$2,776, upon which he pays an annual tax on intangibles of \$13.88.

He renders two family automobiles, one a De Soto and the other a Chevrolet, upon the two of which he pays an aggregate tax of \$15.60 per year.

For his property he pays an annual water rent of \$6.56.

#### WALTER RAUBER

Mr. Walter Rauber, who is secretary of the John I. Haas, Inc., and who the papers recently reported drew a salary last year of \$26,000, has his residence in Maryland and pays no tax to the District at all.

#### RANDALL H. HAGNER

Mr. Randall H. Hagner, president of Hagner & Co., who the newspapers recently reported drew a salary of \$39,875 last year, renders his property at 2339 S Street NW. for taxes at an assessed value of \$65,087, upon which he pays an annual real-estate tax of \$976.32.

He renders tangible personal property of an assessed value of \$3,000, upon which he paid an annual tax on tangibles last year of \$45.

He renders intangibles at an assessed value of \$220, upon which he paid an annual tax last year on intangibles of \$1.10.

He renders one family automobile, upon which he pays \$6.82 per annum, plus a dollar for the automobile license tag.

He pays an annual water rent of \$22.57.

#### A. BRITTON BROWNE

Mr. A. Britton Browne, who is vice president of Hagner & Co., Inc., and who the newspapers recently reported drew a salary last year of \$32,625, renders his property at 1917 Twenty-third Street NW. at an assessed value of \$15,951, upon which he pays an annual tax on real estate of \$239.26.

He rendered tangible personal property of an assessed value of \$2,000, upon which he pays an annual tax of \$30.

He rendered intangible property of the assessed value of \$88, upon which he pays an annual tax of 44 cents.

He renders two family automobiles, one Packard and one Ford, upon which he pays an aggregate tax of \$21.45 per annum, plus \$2 for the registration fee, \$1 for each car.

He pays an annual water rent of \$8.25 for the water he uses on his property.

#### HENSE HAMILTON

Mr. Hense Hamilton, who is the assistant vice president of the Chesapeake & Potomac Telephone Co., and who the newspapers recently reported drew a salary last year of \$18,333, renders his property at 3700 Huntington Street NW. at the assessed value of \$25,279, upon which he paid an annual tax of \$379.10.

He rendered tangible property of the assessed value of \$500, upon which he paid a tax of \$7.50 last year.

He rendered intangible property of an assessed value of \$18,472, upon which he paid last year a tax on intangibles of \$92.36.

He rendered two family automobiles, one Cadillac and one Buick, upon the two of which he paid an aggregate annual tax of \$24.45, plus \$2 for the license tags.

For his property he pays an annual water rent of \$12.97 per year.

#### JOHN H. HANNA

Mr. John H. Hanna, who is the president of the Capital Transit Co., and who the newspapers reported recently, drew a salary last year of \$20,000, pays no real-estate taxes, but renders tangible personal property of the value of \$1,200, upon which he pays an annual tax of \$18. He renders intangible property of the value of \$2,916, upon which he pays a tax on intangibles of \$14.58.

He renders a family automobile, which is a Studebaker, upon which he pays an annual tax of \$13.87, plus \$1 for license-tag registration.

He pays an annual water rent of \$6.56 per year.

#### P. J. HARMAN

Mr. P. J. Harman, who is the principal of Strayer's Business College, who the newspapers recently reported, drew a salary of \$28,980 last year, rendered real estate of an assessed value of \$28,311, upon which he pays an annual tax of \$424.68.

He renders tangible personal property of the value of \$1,644 upon which he pays an annual tax of \$24.66.

He renders intangible property of the assessed value of \$3,644, upon which he pays an annual tax of \$18.22. He renders two family automobiles, one Packard and one Plymouth, upon the two of which he pays an aggregate tax of \$22.05 per annum.

He pays an annual water rent of \$14.81.

#### W. M. KIPLINGER

Mr. W. M. Kiplinger, who is president of Kiplinger & Babson, Inc., who the newspapers recently reported, drew a salary last year of \$20,333, pays no real-estate tax; but he renders tangible personal property of the assessed value of \$400, upon which he pays an annual tax of \$6.

He rendered intangible property of the assessed value of \$48,968, upon which he pays an annual tax on intangibles of \$244.84.

He renders a family automobile, a Nash, upon which he pays an annual tax of \$10.50, plus \$1 for license tax.

#### WILLIAM H. LIPSCOMB

Mr. William H. Lipscomb, who is president of B. & R., Inc. The newspapers recently reported that he drew a salary last year of \$24,000. He renders his residence as 2324 Massachusetts Avenue for real-estate-tax purposes at an assessed value of \$53,550, upon which he pays an annual real-estate tax of \$803.24.

He renders tangible personal property of an assessed value of \$1,248, upon which he pays an annual tax of \$18.72.

He renders intangible property of the value of \$59,904, upon which he pays an annual tax on intangibles of \$299.52.

He renders for taxes two family automobiles, one a Lincoln and one a Studebaker, upon the two of which he pays an aggregate tax of \$36.82 per annum, plus \$2 for license tags.

He pays an annual water rent of \$11.24.

#### FREDERICK W. MACKENZIE

Mr. Frederick W. MacKenzie, of the Tolman Laundry, who the newspapers recently reported drew a salary last year of \$18,220, renders his residence at 3801 Ingomar Street NW. for real-estate taxes last year at an assessed value of \$18,325, upon which he paid an annual tax of \$274.88.

He rendered tangible personal property of the assessed value of \$1,000, upon which he paid a tax of \$15.

He rendered intangible property of the value of \$436 upon which he paid a tax on intangibles of \$2.18.

He paid an annual water rent of \$10.45.

#### GEORGE P. MARSHALL

Mr. George P. Marshall, president of the Palace Laundry, who the newspapers recently reported, drew a salary of \$20,000 last year and who lives at the Shoreham Hotel, rendered no real estate, but rendered tangible personal property of the value of \$3,248, upon which he pays an annual tax on tangibles of \$48.72.

He rendered intangible property of the assessed value of \$1,000, upon which he paid an annual tax on intangibles of \$5.

He renders a family automobile, which is a Cadillac, upon which he pays an annual tax of \$52.87, plus \$1 for license tag.

WILLIAM M'CLELLAN

Mr. William McClellan, president of the Potomac Electric Power Co., who, the newspapers reported, drew a salary of \$30,062 last year and who lives at the Shoreham Hotel, renders no real estate, renders no personal property returns, and no intangible property, pays nothing on automobiles, and pays nothing for water. But there is a mandamus proceeding pending against him in the District now to compel him to render property for taxation.

O. STEDMAN HILL

Mr. O. Stedman Hill, treasurer of the Public Utilities Reports, who, the newspapers recently reported, drew a salary last year of \$39,950, renders no real estate; no personal property; no intangible property, and there is a mandamus suit pending against him now, to force him to pay taxes on his property.

E. G. BUCKLAND

Mr. E. G. Buckland, president of the Railroad Credit Corporation, who, the newspapers recently reported, drew a salary last year of \$39,000, renders no real estate, no tangible personal property, no intangible, and there is a mandamus suit pending against him now, to force him to pay taxes on his property.

HARRY G. MEEM

Mr. Harry G. Meem, who is president of the Washington Loan & Trust Co., who, the newspapers reported, last year drew a salary of \$25,840, renders his residence at 2730 Thirty-fourth Place, NW., at an assessed value of \$21,370, upon which he pays a real-estate tax of \$320.56.

He rendered tangible personal property of an assessed value of \$1,100, and upon which he paid an annual tax on tangibles last year of \$16.50.

He renders intangible property of an assessed value of \$19,164, upon which he pays an annual tax on intangibles of \$95.82.

He renders a family automobile, which is a LaSalle, on which he paid an annual tax of \$14.40 plus \$1 for license tag. He pays an annual water rent of \$18.53.

GEORGE MILLER

Mr. George Miller, president of the Union Beauty & Barber Supply Co., who, the newspapers recently reported, drew a salary of \$20,000 last year, upon his residence at 2831 Chesterfield Place NW. rendered real estate of an assessed value of \$24,154, upon which he paid an annual real-estate tax of \$362.32.

He rendered tangible personal property of an assessed value of \$300, upon which he paid an annual tax of \$4.50.

He rendered intangibles of the value of \$296, upon which he paid an annual tax on intangibles of \$1.48.

He rendered a family automobile, which is a Packard, upon which he paid an annual tax of \$8.25.

His annual water rent is \$17.29.

WILLIAM MONTGOMERY

Mr. William Montgomery, who is president of the Acacia Mutual Life Insurance Co., who the newspapers recently reported drew a salary last year of \$75,000 per annum, and about which they bragged, renders real estate of an assessed value of \$100,800, upon which he pays an annual tax of \$1,512.

He rendered tangible property of the value of \$4,148, upon which he pays an annual tax on tangibles of \$62.22.

He renders intangibles of the assessed value of \$3,556, upon which he pays an annual tax on intangibles of \$17.78.

He renders a family automobile, a LaSalle, upon which he pays an annual tax of \$3.75.

He pays an annual water rent of \$31.50.

It is interesting to note what Mr. Rufus Clarke says about Mr. Montgomery's insurance company:

R. P. CLARKE CO.,  
Washington, D. C., February 22, 1936.

HON. THOMAS L. BLANTON,

House of Representatives, Washington, D. C.

MY DEAR JUDGE: In the year 1912 I took out a policy in the Acacia Masonic Mutual Insurance Co. for \$3,000, to be paid in yearly payments, and to be fully paid in 20 years, after which I was to receive some interest every January.

For several years I received return of \$46.05 every January; but for the past 2 years the return has been only \$23.03.

I understand that the company has increased its assets very considerably, and can see no reason why the annual return for the last 2 years should have been reduced one-half, unless it be that the officers of the company are receiving very large salaries.

I understand that the president of the company receives a salary of \$75,000 or over every year, which, in my judgment, is not treating policyholders fairly.

Will you kindly look into this matter.

With personal regards,

Very truly yours,

RUFUS P. CLARKE.

FREDERICK M. PELZMAN

Then there is Mr. Frederick M. Pelzman, of the Fashion Shop, Inc., who the newspapers recently reported drew an annual salary of \$20,000 last year. He renders his residence, real property, at 3004 Thirty-second Street, at an annual assessed value of \$20,575, upon which he pays an annual real-estate tax of \$308.62.

He renders tangible personal property at an assessed value of \$200, upon which he pays an annual tax of \$3. He renders intangibles at an assessed value of \$100, upon which he pays an annual tax of 50 cents.

He pays an annual water rent of \$20.39.

ROCK CREEK GINGER ALE CO.

Mr. W. H. Rawley, president of the Rock Creek Ginger Ale Co., who, the newspapers recently said, drew last year a salary of \$25,000, has a residence at 4315 Hawthorne Street NW., upon which the assessed value was rendered as \$15,325 and upon which he pays an annual real-estate tax of \$229.88.

He renders tangible personal property at the value of \$400, upon which he pays an annual tax of \$6. He renders intangibles of the value of \$1,876, upon which he pays an annual tax of \$9.38.

He renders two automobiles, one a Buick and one a Ford, upon the two of which he pays an aggregate tax of \$14.85, plus \$2 for the license-tag registration.

He pays a water rent of \$16.67 per annum.

Then there is Mr. D. A. Rawley, vice president of the Rock Creek Ginger Ale Co., who, the newspapers recently said, drew a salary last year of \$25,000.

His house address is 350 Rock Creek Ford Road. He pays no real-estate tax, no tangible personal tax, but he renders intangibles at an assessed value of \$1,124 upon which he pays an annual tax of \$5.62 per year on intangibles.

That is all of the tax he pays to the District per year, \$5.62, with a \$25,000 salary.

Mr. George P. Rawley, secretary of the Rock Creek Ginger Ale Co., who, the newspapers recently reported, received last year a salary of \$25,000, on his residence at 1400 Montague Street NW., rendered an assessed value of \$16,500 and pays a tax of \$247.50.

He renders no tangible personal property, but he renders intangible property at an assessed value of \$2,024, upon which he pays an annual tax on intangibles of \$10.12.

He renders two family cars, a Buick and La Salle, upon the two of which he pays an aggregate annual tax of \$21.30, plus \$2 to cover the \$1 charge for license tags.

He pays annually as water rent \$14.36.

Mr. L. P. Rawley, who is treasurer of the Rock Creek Ginger Ale Co., who, the newspapers recently reported, drew a salary last year of \$25,000, on his residence at 5501 Rock Creek Ford Road had an assessed value of \$19,705, upon which he paid an annual real-estate tax of \$295.58. He rendered no tangible personal property, but he renders intangible property on an assessed value of \$1,776, upon which he paid an annual tax of \$8.88.

He renders two family automobiles, one Packard and one Pontiac, for the two of which he pays an aggregate tax of \$22.65, plus \$2 to cover the \$1 license tax charge on each of them.

He pays an annual water rent of \$43.51.



## JOHN A. REMON

Mr. John A. Remon, who is manager of the Chesapeake & Potomac Telephone Co., who, the newspapers recently reported, drew a salary last year of \$20,166, upon his residence at 3104 Thirty-third Place NW., had it assessed at \$17,165, upon which he paid an annual real-estate tax of \$257.48.

He rendered tangible personal property at an assessed value of \$200, upon which he paid an annual tax of \$3. He rendered intangible property at an assessed value of \$46,096, upon which he paid a tax on intangibles of \$230.48.

His annual water rent is \$16.05.

## H. L. RUST

Mr. H. L. Rust, who, by the way, is a very fine gentleman and one of my personal friends, who, the newspapers said, recently drew a salary last year of \$24,000, renders no real estate for taxes, but he rendered tangible personal property at the value of \$2,000, upon which he pays an annual tax of \$30; and he renders intangible property of the value of \$392,248, upon which he pays an annual tax on intangibles of \$1,961.24.

He renders a family automobile, which is a Pontiac, upon which he pays an annual tax of \$10.12.

He pays an annual water rent of \$695.47.

## DR. C. A. SIMPSON

Then there is Dr. C. A. Simpson, who is the president of the Washington Radium & X-Ray Laboratory, who the newspapers recently reported drew a salary last year of \$20,568, and who pays no real-estate taxes.

He renders tangible personal property at the assessed value of \$1,000, upon which he pays an annual tax of \$15. He renders intangibles at the assessed value of \$2,072, upon which he paid an annual tax of \$10.36.

He renders two family automobiles, one a Cadillac and one a Pontiac, upon the two of which he pays an aggregate tax of \$20.84 per year, plus \$2 covering the license tax.

## H. B. SPENCER

Mr. H. B. Spencer, who is president of the Fruit Growers Express, who, the newspapers recently reported, drew a salary last year of \$23,020, renders his residence at 2012 Massachusetts Avenue NW. at an assessed value of \$76,187, upon which he pays annually a real-estate tax of \$1,142.80.

He rendered tangible personal property of the assessed value of \$17,000, upon which he pays an annual tax of \$255. He renders intangibles at an assessed value of \$400,000, upon which he pays an annual tax of \$2,000.

He renders two family automobiles, both being Packards, upon the two of which he pays an aggregate tax of only \$2.55 per annum, plus \$2 for license tags.

That is an astonishingly low tax on two Packard automobiles, I do not care whether they are old or new.

He pays an annual water rent of \$32.33.

## MARCY L. SPERRY

Mr. Marcy L. Sperry, president of the Gas Light Co., who, the newspapers recently reported, drew a salary last year of \$16,920, renders no real estate.

He renders tangible property at the assessed value of \$300, upon which he pays an annual tax of \$4.50. He renders intangibles at the assessed value of \$20,512, upon which he pays an annual tax of \$102.56.

He pays an annual water rent of \$49.67.

## CORCORAN THOM

Mr. Corcoran Thom, who is president of the American Security & Trust Co., who, the newspapers recently reported, drew a salary last year of \$24,375, renders his residence at 1725 I Street NW., at an assessed value of \$34,925, paid a real-estate tax of \$523.88, and he paid a tax of \$56.28 on tangible personal property of an assessed value of \$3,752, and he paid on intangibles of an assessed value of \$61,180 an annual tax of \$305.90.

He renders a family automobile, which is a Buick, upon which he pays an annual tax of \$1.80, plus \$1 for registration tax, and he pays an annual water rent of \$28.61.

## A. L. THOMPSON

Mr. A. L. Thompson, president of the Thompson Dairy, who, the newspapers recently reported, drew a salary last year of \$30,000, renders no real estate.

He renders tangible property of the assessed value of \$248, upon which he pays an annual tax of \$3.72, and he renders intangible property of the assessed value of \$20,716, upon which he pays an annual tax on intangibles of \$103.58.

He renders a family automobile, which is a Buick, upon which he pays an annual tax of \$5.47, plus \$1 for registration tags.

His annual water rent is \$9.08.

## H. VINER

Mr. H. Viner, who is president of the Arcade Sunshine Co., who, the newspapers recently reported, drew a salary of \$30,000, renders his residence at 3507 Massachusetts Avenue NW. and whatever other real estate he has at \$47,837, upon which he pays an annual real estate tax of \$717.56.

He renders tangible personal property of the assessed value of \$2,500, upon which he pays an annual tax of \$37.50. He renders intangibles at an assessed value of \$816, upon which he pays an annual tax of \$4.08.

He renders for taxes, three family automobiles, one Cadillac, one Buick, and one Chevrolet, upon the three of which he pays an aggregate tax of \$26.92 per annum, plus \$3 for the automobile license tags.

He pays an annual water rent of \$29.25.

## GEORGE W. WHITE

George W. White, president of the National Metropolitan Bank, who, the newspapers recently reported, drew a salary last year of \$25,000, renders his residence at 2800 Upton Street NW. at an assessed value of \$58,963, upon which he paid an annual real-estate tax of \$884.46.

He renders tangible personal property at an assessed value of \$2,000, upon which he pays an annual tax of \$30. He renders intangible property at an assessed value of \$11,788, upon which he pays an annual tax on the intangibles of \$58.94.

He renders two family automobiles, one a Packard and one a Ford, upon the two of which he pays an aggregate tax of only \$5.17 per annum, plus \$2 for license tags, and he pays an annual water rent of \$61.46.

## EDWARD G. YONKER

Mr. Edward G. Yonker, president of the Sanitary Grocery Co., who, the newspapers recently reported, drew a salary last year of \$74,660, renders on his residence at 5100 Thirtieth Street NW., at an assessed value of \$75,800, upon which he paid an annual real-estate tax of \$1,137.

He renders personal property at an assessed value of \$8,500, upon which he paid an annual tax of \$127.50. He renders intangible property at an assessed value of \$213,064, upon which he pays an annual tax on intangibles of \$1,065.32.

Gentlemen, one of the primary purposes of getting this evidence before you and the interested people of Washington is the fact that you will note that there are a great many people in Washington who have intangible property, and some of them are rendering it for taxes, and some are not, and from the reports that have been made to me by some reliable people here in Washington, if you check up you will find that there are many millions of dollars hidden away untaxed in the lock boxes in the banks in Washington, if you could ever find it, and it is going to take something more than just filing a mandamus suit to get it. Some new legislation must be passed to reach it.

So I am just giving you a fair cross-section of some of these cases, to show you that there are many instances where there is a large amount of intangible property owned.

Coming back to Mr. Yonker, he renders two family automobiles, one a Cadillac and one a Buick, upon the two of which he pays an annual aggregate tax of \$38.54, and the annual water rent is \$23.49.

## MACK L. LANGFORD

Mr. Mack L. Langford, vice president of the Sanitary Grocery Co., who, the newspapers recently reported, drew a salary last year of \$31,968, renders no real property, renders no tangible personal property, but renders intangibles of the assessed value of \$32,464, which is less than 1 year's net income, upon which he pays an annual tax on intangibles of \$112.32.

He renders two family automobiles, one a Chrysler and one a Dodge, upon the two of which he pays an aggregate tax of \$22.19 per annum, plus \$2 license tag fee.

He paid, you will note, \$112.32 on \$22,464 in intangibles, and that, plus the \$22.19 that he pays on automobiles, is all of the tax that he pays in the District of Columbia, yet he has a net income of \$31,968.

LAWRENCE B. CAMPBELL

Mr. Lawrence B. Campbell, who is treasurer for the National Press Building Corporation, renders no real-estate tax, renders tangible property of the assessed value of \$184, upon which he pays a tax of \$2.76, and that is the total tax that he pays in the District, \$2.76 a year.

CHARLES B. DEGGES

Mr. Charles B. Degges, who is secretary of the Board of Education, renders his residence at 4419 Q Street NW., at an assessed value of \$5,670, upon which he pays a real-estate tax of \$85.06.

He renders no tangible personal property, no intangible property, one family car, an Oldsmobile, upon which he pays \$9.15 tax, plus \$1 for license tags, and he pays an annual water rent of \$8.32.

Does any one know what is the salary of the secretary of the Board of Education?

Three thousand five hundred dollars, I think it is.

DR. EDGAR A. BOCOCK

Dr. Edgar A. Bocock, of Gallinger Hospital. With \$7,500 salary, Dr. Edgar A. Bocock renders no real estate, no tangible personal property, but he renders intangibles, at an assessed value of \$232, upon which he pays an annual tax of \$1.16, and \$1.16 is all Dr. Bocock, who draws a salary from the two Governments of \$7,500 per year, pays the District.

MRS. HENRY GRATTAN DOYLE

Mrs. Henry Grattan Doyle is president of the Board of Education.

The property of her husband, at 5500 Thirty-third Street NW., is rendered at an assessed value of \$7,278, upon which the annual real-estate tax is \$109.18.

They render tangible property of the assessed value of \$2,000, upon which an annual tax of \$3, and intangibles at an assessed value of \$332, upon which is paid an annual tax of \$1.66.

They render two family automobiles, one Chevrolet and one Ford, upon the two of which there is an annual aggregate tax of \$15.14, plus a \$2 automobile license tag charge.

They pay an annual water rent of \$6.56 per year.

R. E. ELGEN

Mr. R. E. Elgen is Chairman of the Public Utilities Commission, with a salary of \$7,500 a year.

He renders no real estate, but he renders tangible personal property at an assessed value of \$524, upon which he pays an annual tax of \$7.86. He renders intangible property of the assessed value of \$300, upon which he pays an annual tax of \$1.50.

He pays an annual water rent of \$7.56.

WILLIAM A. VAN DUZER

Mr. William A. Van Duzer is our director of traffic of the District; salary, \$7,500. He pays no real-estate taxes. He pays no tangible personal taxes.

On intangible property, at an assessed value of \$5,165, he pays \$25.82 per year, and he renders a family car, a Chrysler, upon which he pays an annual tax of \$12.82.

He pays an annual water rent of \$11.57.

G. C. WILKINSON

G. C. Wilkinson is first assistant superintendent in charge of the colored schools, his salary being \$6,000.

His residence, at 406 U Street NW., has an assessed value of \$4,246, and he pays \$63.70 per annum in real-estate taxes. He renders no tangible property tax and no intangible.

He renders a family car, an Oldsmobile, upon which he pays an annual tax of \$9.30.

He pays an annual water rent of \$6.56.

WAYNE KENDRICK

Wayne Kendrick is connected with the Board of Accountancy. His office is in the Rush Building, and his residence is in Virginia, and he pays no taxes to the District.

DR. HENRY R. OSBORNE

Dr. Henry R. Osborne is president of the Board of District Dental Examiners.

His address is at 1726 I Street NW. He pays no taxes of any kind in the District of Columbia.

CHARLES E. SCHROM

Mr. Charles E. Schrom is the chief engineer of the fire department, with a salary of \$8,000 a year.

On his residence at 1315 Maryland Avenue NE., which is assessed at \$3,950, he pays an annual real-estate tax of \$59.26.

He pays no tangible personal tax and no intangible tax.

He renders a family automobile, a Chevrolet, upon which he pays an annual tax of \$3.60.

His annual water rent is \$6.56.

ERNEST W. BROWN

Ernest W. Brown, Superintendent of the Metropolitan Police, \$8,000 a year.

He pays no real-estate tax. He pays no tangible personal-property tax and no intangible tax.

He renders a Studebaker family car, upon which he pays an annual tax of \$7.12.

He pays an annual water rent of \$6.56.

MELVIN C. HAZEN

Here is our chairman of the board, Hon. Melvin C. Hazen, Commissioner.

His salary is \$9,000.

On his residence, 1829 Sixteenth Street NW., the assessed value is \$30,372, on which he pays an annual real-estate tax of \$455.58.

On tangible personal property, with an assessed value of \$148, he pays a tax of \$2.22. Upon intangible property, assessed at \$628, he pays a tax of \$3.14.

On his family automobile, a Buick car, he pays an annual tax of \$3.97, plus a \$1 license-tax charge.

GEORGE E. ALLEN

Here is our friend, Hon. George E. Allen, Commissioner, with salary of \$9,000.

He pays no real-estate tax. His tangible personal property is assessed at \$300, upon which he pays \$4.50. The intangible property is assessed at \$5,068, upon which he pays \$25.34.

On his family car he pays tax of \$13.20, plus a \$1 automobile license tag fee, and no water rent.

E. BARRETT PRETTYMAN

Here is our friend, Hon. E. Barrett Prettyman, corporation counsel of the District of Columbia, and his salary is \$8,000. He resides in Maryland. Prettyman pays no real-estate tax, no personal tax, no tax of any kind to the District, but lives in Maryland.

HENRY I. QUINN

Mr. Henry I. Quinn, member of the Board of Education, District of Columbia, has his residence at No. 1507 Gallatin Street NW., assessed valuation \$12,934—which in 1933 was assessed at \$13,734—upon which he pays \$194.02 taxes. He has tangible personal property of the assessed value of \$1,100, upon which he pays \$16.50 taxes. He has intangible property, assessed valuation \$6,148, upon which he pays \$30.74 taxes. He has two family automobiles, one a Dodge sedan and one a Dodge coupe, upon which he pays a total tax of \$16.05 plus \$2 for their two sets of license tags. He pays a water rental for his residence property of \$12.97 per annum. He also owns the property at 3424 Fourteenth Street, assessed valuation \$5,667, annual taxes \$85, and pays \$6.56 for annual water rental.

Mr. Speaker, at a later date I will show you exactly what all of the high-salaried officials of the District of Columbia pay in taxes, and it will surprise the membership of this Congress. If they lived anywhere else, they would get about one-third of the salary they receive here in the



District of Columbia, and they would pay about three to five times as much taxes, if not more, than they pay here.

In another speech, which I am preparing, I intend to show you colleagues just how communism has crept into our public schools of Washington, and how an attempt was made between 1929 and 1934 to communize all of the schools of the United States through a commission that was appointed by the American Historical Association.

Now, one other matter and I am done.

Mr. ZIONCHECK. Mr. Chairman, it is 3:30.

The CHAIRMAN. The gentleman from Texas has 1 minute remaining.

Mr. BLANTON. Mr. Chairman, here is a book that is in every library and branch library in Washington. Under the law the libraries of Washington are made a part of the school system. This is the vilest, most indecent, most blasphemous book that was ever published. And over here in the Southeast Library it has been taken out so much that the cover is worn off and it is now being rebound. It ought to be barred from sale and run out of the country. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

The Clerk read as follows:

*Be it enacted, etc.,* That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1937, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived, shall be credited wholly to the District of Columbia, and, in addition, \$2,700,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1936, and all of the remainder out of the combined revenues of the District of Columbia, namely:

Mr. ZIONCHECK. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: On page 2, line 8, strike out "\$2,700,000" and insert in lieu thereof "\$1."

Mr. BLANTON. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. ZIONCHECK. Mr. Chairman, it makes me, as one Member of this House, tired and resentful to have the chairman of the subcommittee on this particular bill get before this House, rant and rave about things, and never do anything about it. The gentleman has been in Congress 18 or 20 years. All these conditions he is talking about and ranting about have been going on all this time, and he has not found them all out yet. I wonder when the gentleman from Texas is going to stop talking, stop shouting, and start thinking and doing something.

Mr. MILLARD. Did the gentleman say "stop thinking?"

Mr. ZIONCHECK. No; I want him to start.

Mr. BLANTON. Let us let the Members vote on that.

Mr. ZIONCHECK. No; the Members will not vote on that. The gentleman knows the rules of the House, does he not? The gentleman knows the rules of the House better than any Member here, and he violates them more than any other Member, and knows when he is violating them.

Now, I will get down to the subject of the amendment. By the way, and incidentally, I do not think all this investigation about taxes would have started except I heard about low tax payments and investigated the taxes of some hotels and other places, then introduced a resolution, and then the gentleman from Texas [Mr. BLANTON] gets busy in the committee and asks a few questions; but he did not know this was going on. What does he think about it now? If he would only stop ranting around, dragging a red herring about, you know, trying to get people off the trail, and do a little more thinking, as I have said—because he has a lot of energy if he would only apply it properly. [Laughter.]

I do not usually speak in this vein, but I was a little resentful because the gentleman from Texas promised to give me 10 minutes; in fact he asked me if I wanted time;

and when I asked for it he would not give it to me, tried to tell me he promised it to me yesterday. I did not ask for time yesterday because I did not have a speech on this subject prepared and why should I ask for it? So much for the gentleman from Texas.

I am serious about this particular amendment. I have another one to offer. If you do not accept this amendment you may accept the other one. In the city of Seattle, a city comparable with Washington in population but far larger in area, for you have only 10 square miles—its tax budget for 1936 is less than \$8,000,000; yet a budget is presented for the city of Washington, D. C., of \$42,000,000. Still they shout because we cut the Federal contribution \$3,000,000. At the same time these poor bedeviled Commissioners are in a quandary because they have \$3,000,000 in the Treasury down here they do not know what to do with. Did you know that? The gentleman from Texas [Mr. BLANTON] will not deny that, will he?

Mr. BLANTON. I have not been listening to the gentleman. [Laughter.]

Mr. ZIONCHECK. Well, if the gentleman would listen he might be enlightened. Personally I am opposed to any contribution on the part of the Federal Government to the District of Columbia, and to let the District handle its budget, taxes, and expenditures.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

Mr. BLANTON. Mr. Chairman, time has been fixed on this paragraph, and the committee desires to be heard on the amendment.

Mr. ZIONCHECK. Mr. Chairman, then I offer another amendment.

The CHAIRMAN. The Chair would remind the gentleman that an amendment is pending.

Mr. BLANTON. Mr. Chairman, I ask for recognition against the amendment.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. BLANTON. Mr. Chairman, I am one of those who believe that the Government should not contribute one dollar to the upkeep of the District of Columbia. I have felt that way for a number of years. There were other members of our committee who felt as I do. However, there was one member who thought that we should contribute as much as \$2,700,000 this year anyway. We agreed to go along with him and have a unanimous report. A unanimous report has been brought in here and every member of our committee stands solidly together like a phalanx for this bill. When I make an agreement with my colleagues I keep it. I do not make an agreement in committee and then get up on the floor and violate the agreement.

Ordinarily I would vote for this amendment, but I am going to ask my colleagues to vote it down so that we may be fair with the other members of the committee in connection with the agreement we made with them. There will come a time when all this contribution will be taken away, and, in my judgment, it will be next year.

Mr. Chairman, answering the gentleman from Washington, who thinks more deeply, he says, than I do, passing a bill finally is not a question of what this House does about the bill. It is what the other body agrees to. Last year we fixed, by unanimous consent of the committee and House, the Federal contribution at \$5,700,000. The bill went to the Senate and they added over \$3,000,000 to the Federal contribution. They held us up nearly 2 months before they would agree to eliminate their \$3,000,000 increase. We conferees for the House never gave in, I may say to the gentleman, but we held to our own figures as to the Federal contribution, and we allowed only \$5,700,000, which the Budget then authorized.

We have cut the Federal contribution from \$5,700,000 to \$2,700,000, and if we were to reduce that sum, agreed upon by the Committee on Appropriations, we would go to the Senate with a divided committee. We would have our House conferees divided. We would be in no position to withstand the onslaughts of the Senate. If the Senate does as it usually

does, it will increase this Federal contribution to \$8,700,000, and with our conferees divided we would be helpless before them. But by keeping faith with our subcommittee, and keeping our committee together and undivided, and keeping our conferees together as a unit, we shall be able to make the proper kind of a fight in conference to hold this Federal contribution in line with what is just and fair to the people of the United States and also to the people of the District of Columbia.

Mr. Chairman, I have been fighting here on this one item for 16 years before my friend came to Congress. During such time we have reduced this one item many millions of dollars annually. If he will go back and look over the records, he will find I have accomplished something for economy. He will find many fights I made here to stop bills which carried large sums of money, and did stop them. When he revises his remarks he will feel restrained to take out all those nasty little references he made about me.

May I say this to the gentleman from Washington: He came to me yesterday and asked for 10 minutes. I put him down for 10 minutes. I had not spoken on the bill. The gentleman from Pennsylvania [Mr. DITTER] had not spoken on the bill. The gentleman from Iowa [Mr. JACOBSEN], a member of the committee, had not spoken. The gentleman from West Virginia [Mr. JOHNSON] had not spoken on the bill. But I put down the name of the gentleman from Washington, and when I reached his name I called for him. He knows he had to be off the floor. He knows he had to be away. He could not be on the floor at that time. I then crossed his name off, as you or anyone else naturally would, when he did not respond. When I reached him in his turn and he could not use the time I marked him off. When he came to me this morning and requested this time I said if I could find time I would give it to him.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. ZIONCHECK]. The amendment was rejected.

Mrs. NORTON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mrs. NORTON: On page 2, line 7, after the word "addition", strike out the figures "\$2,700,000" and insert in lieu thereof "\$5,700,000."

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey [Mrs. NORTON].

The question was taken; and on a division (demanded by Mrs. NORTON) there were—ayes 17, noes 54.

Mrs. NORTON. Mr. Chairman, I make the point of order that there is not a quorum present, and I object to the vote on that ground.

Mr. BLANTON. That will not secure a vote on the amendment, I will say to the gentlewoman from New Jersey. It will produce a quorum only.

Mrs. NORTON. That is all that is necessary.

Mr. BLANTON. Mr. Chairman, on that vote I demand tellers.

The CHAIRMAN. Does the gentlewoman from New Jersey withdraw her point of no quorum?

Mrs. NORTON. No. I insist on the point of order. I made the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixteen Members are present, a quorum.

The amendment was rejected.

Mr. ZIONCHECK. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: On page 2, line 8, after the dollar sign, strike out "\$2,700,000" and insert in lieu thereof "\$1,000,000."

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to address the House on this amendment.

The CHAIRMAN. The time for debate on this paragraph has been fixed, and all time is exhausted.

The question is on the amendment offered by the gentleman from Washington [Mr. ZIONCHECK].

The amendment was rejected.

The Clerk read as follows:

Purchasing division: For personal services, \$57,000.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not entirely certain that I am within the rules, but I beg the indulgence of the Committee for about 3 minutes.

I was much interested in the statement made by the chairman of the subcommittee at the beginning of his remarks, in which he described a certain order alleged to have been issued by the Chief of Staff of the First Corps in France shortly after the armistice. The order was to the effect that soldiers who were found in possession of stolen or pilfered property were to be publicly horsewhipped.

Mr. Chairman, this incident, or alleged incident, was brought to the attention of the subcommittee of the Committee on Military Affairs of the United States Senate, as I recall, 15 years ago, or more, on the instance of the late Senator Watson, of Georgia. It turns out no such order was ever issued. There is no record in the papers of the First Corps or in General Dickman's papers or those of the then Chief of Staff, Colonel Craig, that any such order was ever published.

It is true there had been some pilfering going on around headquarters, and even the general's belt was stolen one day off the back of a chair by some nimble-fingered person.

It is barely possible that some officer, unknown to those in authority, either the major general commanding the corps or the Chief of Staff, wrote this thing out, partly as a joke or partly as a threat, and it may have lain upon the desk of the adjutant of the corps. But as to its being issued, no such thing was ever done, and had it been issued, of course, on its face it was completely illegal and ridiculous.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I will.

Mr. BLANTON. The evidence was that one of the officers in whose hands this order was placed had it photostated and later gave it to this paper in San Antonio.

Mr. WADSWORTH. True enough.

Mr. BLANTON. And it was published, and there was never a denial of its issuance.

Mr. WADSWORTH. Yes; it was denied in this investigation about 15 years ago.

Mr. BLANTON. There was not a denial down there in San Antonio.

Mr. WADSWORTH. They could not go everywhere to deny it.

Mr. BLANTON. And there were a lot of officers there who served with that organization. And the photostat shows the official seal of "Headquarters, First Corps Area", and is attested by the adjutant.

Mr. WADSWORTH. It was published in the San Antonio paper, but not to the First Corps in France.

The Clerk read as follows:

District of Columbia Unemployment Compensation Act: For the contribution of the District of Columbia under the provisions of section 5 (a) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat., p. 946), \$125,000.

Mr. ELLENBOGEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLENBOGEN: On page 9, line 19, strike out "\$125,000" and insert "\$162,500."

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

Mr. ZIONCHECK. Mr. Chairman, I object.

Mr. BLANTON. Then, Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.



Mr. ELLENBOGEN. Mr. Chairman, may I have the attention of the gentleman from Texas?

Mr. BLANTON. The gentleman always has my attention.

Mr. ELLENBOGEN. I thank the gentleman.

I believe the Committee on Appropriations for the District of Columbia made a mistake with respect to this item, and I am referring to page 9, line 19.

Mr. BLANTON. I can explain this to the gentleman in just half a second.

Mr. ELLENBOGEN. I will yield to the gentleman in a moment.

This item provides an appropriation for the contribution of the District of Columbia to the unemployment-insurance fund of \$125,000. The law we passed last year does not go by fiscal years, but by calendar years, and provides in section 5 of the act which we passed establishing an unemployment-insurance fund for the District of Columbia—

Mr. BLANTON. On that, if the gentleman will yield a moment, I can tell him the facts and I am sure he will not have any complaints. The gentleman will find provision for this matter until July 1 in our next deficiency bill.

Mr. ELLENBOGEN. No; there is no such provision in the deficiency bill.

Mr. BLANTON. How does the gentleman know? The bill has not been reported.

Mr. ELLENBOGEN. I refer to the deficiency bill that we passed sometime ago.

Mr. BLANTON. The next deficiency bill that will come in later will provide these funds until July 1.

Mr. ELLENBOGEN. In view of the gentleman's statement, Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The amendment was withdrawn.

The Clerk read as follows:

For purchase, installation, and modification of electric traffic lights, signals and controls, markers, painting white lines, labor, maintenance of non-passenger-carrying motor vehicles and such other expenses as may be necessary in the judgment of the Commissioners, \$63,000, of which not less than \$25,000 shall be expended for the purchase, installation, and modification of electric traffic-light signals: *Provided*, That no part of this or any other appropriation contained in this act shall be expended for building, installing, and maintaining street-car loading platforms and lights of any description employed to distinguish same.

Mr. ZIONCHECK. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 10, lines 1 and 2, after the sign, strike out "\$63,000."

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and on this paragraph close in 10 minutes.

The CHAIRMAN. Is there objection?

Mr. ZIONCHECK. I object.

Mr. BLANTON. I withdraw that request, Mr. Chairman, and move that all debate close in 10 minutes.

Mr. MAVERICK. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MAVERICK. Is that motion proper before there has been some debate?

The CHAIRMAN. It is not.

Mr. ZIONCHECK. Mr. Chairman and ladies and gentlemen of the Committee, there is not a town in the United States that has so many traffic lights in so many places where they are not needed and being operated in so insane a manner that will jeopardize life and limb and impede traffic as there are in Washington.

Why do they have so many traffic lights that cost the poor taxed people a thousand dollars a corner? It costs \$20 or \$30 for the maintenance of these lights. The Washington, D. C., light bill and the bill for operating the traffic signals is \$981,000.

Mr. MARTIN of Colorado. Will the gentleman yield for an illustration?

Mr. ZIONCHECK. If the gentleman makes it short and snappy.

Mr. MARTIN of Colorado. At Virginia Avenue they put in five traffic lights in four blocks.

Mr. ZIONCHECK. Yes; and they want \$63,000 in this bill to buy more traffic lights.

Mr. MICHENER. Would the gentleman do away with all the traffic lights in the city?

Mr. ZIONCHECK. Oh, no; but I would put up stop signs in place of many of the traffic lights. If you come to a stop sign you stop, and if there is no traffic you go ahead, instead of waiting for minutes for the light without anybody or thing crossing in front of you. It is ridiculous.

Let me adopt the way of the gentleman from Texas and say, Is there anyone here that says that he could not get from one place to another in this city with facility and with safety if these lights, or most of them, were removed? No one answers. The gentleman from Texas ought to look into this.

The gentleman from Texas says he would have twice as many lights; he would have them on the trees and telephone poles.

The city of Seattle—and I am proud of the town I represent—I think that city would have 100 lights and the rest stop signs. The traffic is faster and there are fewer accidents than here. Mr. Van Duzer, the head of the traffic in this city, says the more lights we have the more lives are saved. He says there were more people killed year before last than last year.

Is that good reasoning or good logic? I read the testimony. What am I going to do about it, someone asks. I am trying to prod the gentleman from Texas to do something about it instead of talking about it. That is what I am trying to do.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment. If our friend from Washington [Mr. ZIONCHECK] had looked up the data on this bill and the hearings he would not have offered the amendment or made his speech. In the first place, instead of being \$60,000 for lights, he will find it is only \$25,000, and page 37 of the estimates shows that.

Mr. ZIONCHECK rose.

Mr. BLANTON. I do not want to be interrupted.

Mr. ZIONCHECK. I am not asking the gentleman to yield.

Mr. BLANTON. I do not want to be interrupted, and I ask the Chair to rule whether or not the gentleman from Washington is in order.

Mr. ZIONCHECK. I am not asking the gentleman to yield. I am just standing here doing nothing. Has the gentleman got a complex?

Mr. BLANTON. Will the Chair rule whether or not the gentleman is in order.

The CHAIRMAN. He is not in order.

Mr. ZIONCHECK. Mr. Chairman, a point of order.

The CHAIRMAN. Will the gentleman kindly take his seat?

Mr. ZIONCHECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ZIONCHECK. I was doing nothing; he brings this up; and I think the Chair cannot rule on something which does not exist.

The CHAIRMAN. The Chair rules that the gentleman from Washington must be in his seat when the other gentleman has the floor.

Mr. ZIONCHECK. In other words, I am supposed to sit down?

The CHAIRMAN. Yes.

Mr. BLANTON. Mr. Chairman, as I said before, the gentleman is mistaken in saying that there were \$60,000 for lights, when only \$25,000 are appropriated. If he had read page 171 of the hearings he would have seen the report by Mr. Van Duzer, the director of traffic, which I quote as follows:

Our accident records show that after lights are installed accidents decrease. Last year, on Pennsylvania Avenue, our records

show that only 30 percent as many accidents occurred after the lights were installed as during the same period previous to the installation.

In other words, by installing the lights about which the gentleman speaks so feelingly, we decrease accidents about 30 percent. If we can decrease accidents 30 percent and decrease the death rate in Washington from accidents, this money is well spent. I wish we had three times as much money to give for lights.

They have the finest traffic-light system in the world in New York City. You can start in with your lights as you come in and never stop until you get downtown. If you start with the lights here on Sixteenth Street you can go from the White House out 5 miles to the Maryland line without ever stopping your car, if you drive according to the rules prescribed by the traffic department.

Every member of our subcommittee was in favor of this provision. We took this matter up in the main committee and there was not a vote against this item in the main committee. I do not think it is necessary to argue this point any further. I think you gentlemen will have confidence in your committee that passed on this matter. We heard the evidence. We see the necessity for this matter. We saw that it was decreasing the accidents, and we saw that it was saving the property for the people and saving human life. There are streets here, like Sixteenth Street and Thirteenth Street and Fourth Street and First Street NW., where you could not cross at certain hours in the morning or the evening unless there were traffic lights there. There is a continuous stream of cars running north or south, and unless there were traffic lights there during those congested periods, people who were going east and west could not cross those streets at all. You would have one-way traffic for an hour and a half in the morning and one-way traffic for an hour and a half in the evening. The traffic lights are what give all the people an equal chance to use the highways of the District of Columbia. I submit that I do not think the committee will consider the amendment well taken, and I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 1, noes 34.

So the amendment was rejected.

The Clerk read as follows:

For personal services, \$97,380.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word. Does the gentleman now want to make a motion to limit debate? I yield to the gentleman to make such a motion to limit debate to 5 minutes or 10 minutes or 15 minutes.

Mr. BANKHEAD. Mr. Chairman, let us have the regular order.

Mr. ZIONCHECK. Mr. Chairman, I have very hurriedly made a comparison of the present Budget item for the District of Columbia with similar items for the great city of Seattle. These figures are subject to some correction. They are as accurate as I could get them in the time I had at my disposal. For the executive department in the city of Seattle there is appropriated \$13,000, while in the District of Columbia there is appropriated \$47,000. For corporation counsel, city of Seattle, \$72,000; District of Columbia, \$99,000. Understand that the city of Seattle has about the same population as the city of Washington, and twice the area. Police court in Seattle, \$20,699. Here it is \$1,815,660. Of course, one million of that is for the new courthouse.

For police, in the city of Seattle, with twice the area and with a lot of bad people that Tom BLANTON is so afraid of, we spent \$1,076,411.

Mr. BLANTON. I am not afraid of anybody in Seattle or Washington.

Mr. ZIONCHECK. Mr. Chairman, I do not yield. The gentleman will sit down.

In the District of Columbia, comparatively speaking, you have \$3,626,670—three times as much, with half the area and twice as much crime.

Fire department of the city of Seattle, \$1,196,000. Here it is \$2,474,000; and what have they got? A bunch of "puddle jumpers." We have a fire department in Seattle. The underwriters claim it is the best in the country—if not exactly the best, it is second best. St. Louis or some other town claims first place. We have the best, I think. When a fire breaks out we get going. These "puddle jumpers" in Washington cannot go over 22 miles an hour. The little whistles which they have sound like toys or something, and they are spending twice as much.

Health, in Seattle they spend \$439,000. Here it is \$484,000.

Garbage collection—this is a sweet item—in the city of Seattle, with twice the area, and the garbage is collected; there are no flies. Everything is first-class. They spend \$376,000, and the garbage is collected two or three times a week. What do they pay here? One million three hundred and sixty thousand dollars, and then it is not collected half the time.

Buildings in Seattle, \$330,000. Here, \$908,000.

Streets and sewers in the city of Seattle, \$402,000. Here it is \$3,624,000, and you have to watch yourself going down the streets for fear you will fall into a hole. They do not have any streets here to speak of. We have streets in Seattle. Just think of it, for \$402,000, and here you are spending \$3,624,000. Nice economy! You are certainly saving the taxpayers' money.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. BLANTON. Mr. Chairman, I object.

Mr. ZIONCHECK. I thought you would.

Mr. BLANTON. We want to get along with the business of the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The amendment was rejected.

Mr. ZIONCHECK. I withdraw the pro-forma amendment. There was no amendment, Mr. Chairman.

Mr. BLANTON. It has already been voted down.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For rent of offices of the recorder of deeds, \$12,600.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word.

Now, I will finish my speech, Mr. Chairman.

Parks in the city of Seattle, where we have the finest parks, real parks, although they are not bad here, \$473,000.

Mr. BLANTON. Mr. Chairman, I make the point of order that the gentleman must confine his argument to the last word.

Mr. ZIONCHECK. What is the last word? I do not know what it is.

The CHAIRMAN. The last word is "deeds." The gentleman will proceed in order.

Mr. ZIONCHECK. This is a deed I am performing.

Mr. BLANTON. We want to get along with this bill, and that is the only reason I am making the point of order. I ask that the Chair enforce the rule.

Mr. ZIONCHECK. I will confine myself to deeds. I want the gentleman from Texas to know I am rendering a very fine deed by telling him about this, because he is being better informed.

Now, coming down to deeds, I do not know whether they deed things to parks or not, but in the city of Seattle whether they deed them or not, there are \$473,000 spent for the parks. What do they spend here? One million six hundred sixty-five thousand two hundred and ten dollars. Then, of course, we are very cautious back home. So we have an emergency fund. They go over the budget sometimes. How much? One hundred twenty-five thousand dollars; but they do not need it here, because they come in for a deficiency. Where have I heard that word before? Is that a deed for you?

Street lighting in the city of Seattle, \$375,000.



Mr. BLANTON. Mr. Chairman, I make the point of order, because the duty devolves upon me to protect this bill.

Mr. ZIONCHECK. Mr. Chairman, the chairman of the subcommittee is becoming obstreperous.

The CHAIRMAN. Let the Chair make a statement. The subject matter before the committee has to do with deeds in the District of Columbia. The gentleman will proceed in order.

Mr. ZIONCHECK. Yes, Mr. Chairman.

Street lighting in the city of Seattle, \$375,000; and here it is \$981,000.

The CHAIRMAN. The gentleman will proceed in order.

Mr. ZIONCHECK. That is my good deed for today.

The Clerk read as follows:

#### CONTINGENT AND MISCELLANEOUS EXPENSES

For checks, books, law books, books of reference, periodicals, newspapers, stationery; surveying instruments and implements; drawing materials; binding, rebinding, repairing, and preservation of records; ice; repairs to pound and vehicles; traveling expenses not to exceed \$1,000, including payment of dues and traveling expenses in attending conventions when authorized by the Commissioners of the District of Columbia; expenses authorized by law in connection with the removal of dangerous or unsafe and insanitary buildings, including payment of a fee of \$6 per diem to each member of board of survey, other than the inspector of buildings, while actually employed on surveys of dangerous or unsafe buildings; and other general necessary expenses of District offices; \$26,000: *Provided*, That no part of this or any other appropriation contained in this act shall be expended for printing or binding a schedule or list of supplies and materials for the furnishing of which contracts have been or may be awarded.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word.

I rise at this time, Mr. Chairman, to discuss my own personal views relative to the so-called teaching or advocacy of communism in the District of Columbia schools. I do it at this point in the reading of the bill simply because I may not be able to be upon the floor at the exact time the actual sections relating to the public schools of the District of Columbia are under discussion.

While in my home city last fall I addressed the following letter to the president of the Board of Education, which I shall read:

ELKINS, W. VA., October 24, 1935.

Mrs. HENRY GRATTAN DOYLE,

President, Board of Education, Washington, D. C.

MY DEAR MRS. DOYLE: I have just had brought to my attention, through stories published in the Washington newspapers, the fact that the Board of Education has given its support to the teaching of communism in the schools of the District of Columbia.

On reading these reports I experienced not only the personal feeling of deepest disappointment at such action, but there came almost simultaneously a determination to do everything within my power to change this ruling. I feel a grievous error has been made which is far more reaching in its damaging consequences than we at this time can possibly know.

The danger line is so close, between the teaching on one side and the advocacy on the other, that I am certain the former merges into the latter in the presentation of communism.

In the National Capital should be the last place, although it should not be countenanced anywhere in our Republic, that the damnable doctrines of sovietism are allowed to be taught.

We need not fear so much the physical attacks against our democratic institutions from without, as much as we need to guard against the boring from within. I am sincerely hopeful that further study of your action will reveal the need for revoking the recently adopted policy of allowing Communists to enter the opening wedge in their insidious campaign for the overthrow of our homes, churches, and schools—the institutions which America has fostered and which have made our Nation great.

I write this letter not in a spirit of criticism but only because of my earnest desire to present the facts as I see them.

At the coming session of Congress I shall make every right and proper attempt to focus the attention of my colleagues on the need for corrective legislation, if necessary. This letter explains my sincerest views in my capacity as a member of the District of Columbia Committee and also as a former teacher.

I plan to return to Washington for a few days within the near future, and at that time I trust I shall have the opportunity of discussing personally with you and the other members of the Board, as well as the superintendent of schools, the serious aspects of this problem.

Very sincerely yours,

JENNINGS RANDOLPH, M. C.

[Applause.]

I have risen at this time—and I do not ask the further indulgence of the Committee—simply to say that I was a teacher for 7 years before coming to this body, and this letter expresses the actual and deep feeling brought from the experiences of those years and the contacts with those students whom I desired to help and encourage as they prepared themselves to enter upon the active duties of life.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. JOHNSON of Oklahoma. May I observe that, in my judgment, the gentleman's letter expresses the opinion of practically every Member on both sides of this aisle. I commend him for his stand on this important matter. [Applause.]

Mr. RANDOLPH. I thank the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I am wondering if the gentleman received a reply to his letter and, if he did, if he will not give the members of this Committee the benefit of the reply.

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. FITZPATRICK. Would the gentleman object to a teacher's explaining the different forms of government throughout the world, including communism?

Mr. RANDOLPH. No.

Mr. FITZPATRICK. After all, we need light; and I understand that under the present law teachers can explain the different forms of government.

Mr. BLANTON. Yes; they can do that now. The corporation counsel has held they can do that now.

Mr. FITZPATRICK. But we do not want them to advocate to the youth of our land anything contrary to the principles of the Government of our country. [Applause.]

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. Yes.

Mr. ZIONCHECK. The rider that the gentleman from Texas had put on the District appropriation bill last year contains the language "advocate and/or teach." I do not know whether the disjunctive is right. Why did the gentleman use the phrase "advocate and teach" if the word "advocate" means to teach, as the gentleman from Texas claims it does?

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. BLANTON. Webster's Unabridged Dictionary states that "to teach" means "to advocate"; and it states also that "to advocate" means "to teach." That is the answer.

Mr. ZIONCHECK. Then why did the gentleman use the phrase "advocate and teach" if these words are synonymous?

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I want to be fair to all the Members wanting to ask questions. I ask unanimous consent to proceed for 2 additional minutes.

Mr. BLANTON. Mr. Chairman, I shall not object to this extension but I shall object to any further extension.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Chairman, I yield to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. I ask this question not in any attempt to batter down what the gentleman has said or to embarrass him at all; I am serious and conscientious about it. I want to know, if the gentleman were asked to sign this statement every 2 weeks, what factors he would take into consideration

of the subject matters presented by him in his class to determine whether he had taught communism? Suppose the gentleman quoted or read from this book that was referred to, or had been asked by one of his students to comment on one of the statements made in this book, which is supposedly communistic, would the gentleman think that by discussing this point with the student by saying that there was a probability or a possibility the author was correct in what he wrote, he would thereby have taught communism?

Mr. RANDOLPH. I may say to the gentleman from California that I realize there is in this House a certain group of men who may be called liberal, and I have always tried to be a member of this group. I may say to him further, however, that I am so well grounded in the fundamentals of Americanism, as I realize those fundamentals, that I feel that every statement I have made in this letter is proof of my positive position upon this question.

Mr. SCOTT. I grant the gentleman that. One further question, if I may: If the child in the gentleman's class said to the gentleman that he did not have any breakfast because his father did not have a job, how would the gentleman explain it?

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

Mr. MILLARD. Mr. Chairman, I object.

The Clerk read as follows:

For printing and binding, \$40,000, and the last proviso of this paragraph shall not apply to work which can be performed at a lower cost in the central duplicating section of the District of Columbia or the printing plant at the reformatory at Lorton, Va.: *Provided*, That no part of the appropriations contained in this act shall be available for expenditure for printing and binding unless the need for such expenditure shall have been specifically approved by the Commissioners of the District of Columbia, or by the purchasing officer and the auditor for the District of Columbia acting for such Commissioners: *Provided further*, That no part of this appropriation shall be available for expenditure unless such printing and binding is done at the Government Printing Office.

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first of all, I should like to congratulate the District Committee on Appropriations for having awakened the Congress of the United States and the people of the District of Columbia to taxes and tax problems, as well as to the District needs. There may be a great deal of criticism as to the cut in the Government appropriation for the District, as to the manner of making these cuts, and the departments in which the Budget decreases were made. However, it seems necessary to me that the Congress of the United States and the people of the District of Columbia should be awakened and understand something about the services they receive and the price they pay for it. Certainly the District Committee has brought this before these people.

Personally I am opposed to any cuts being made in the Budget that has to do with the health and welfare of the people. Neither do I believe that it is necessary to cut wages in any of the departments, but from some experiences I have had in my home city and county I know that these things are not necessary to bring about lower budgets and less taxation.

For the benefit of the study of the Congress, I am going to submit some figures as to departmental costs of the city of Seattle—a city with approximately the same population as that of the District of Columbia. In making the comparisons I wish the Congressman to note this point especially: That the city of Seattle has twice the area in square miles as that of the District of Columbia, necessitating in the fire department, the police department, the health department, and garbage collections the covering of a greater distance, necessarily causing more labor for these departments.

You will note that the police department's budget is nearly three times that of the city of Seattle. The same is true of the fire department, and the fire department of Seattle is regarded by fire underwriters as the second best department

of any city in the United States. In Seattle we have only seven men in its government receiving over \$5,000 a year. Here you have so many I have not been able to get a correct check on it. In 1933, in King County and the city of Seattle, county bonds were selling at 85 cents on the dollar; employees in cashing their warrants had to accept this kind of a reduction. Two Democrats were elected to the board of county commissioners.

Both these gentlemen, John C. Stevenson and Louis Nash, were students of government. In 3 years' time they have reduced the assessments on every home in King County and Seattle 20 percent; they have increased the wages of the employees from 10 to 20 percent. Today the county is functioning under a 10-mill limit instead of an 18-mill limit of 1932; they have taken care of the relief burden of the indigent poor, produced efficiency in every office, and King County bonds are at a premium of \$102 today. This was brought about by efficiency in making purchases and the spending of the peoples' money on the streets and road and bridge maintenance.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. BLANTON. Mr. Chairman, I shall not object in this one instance, but I will hereafter object to any further extensions. We must proceed with this appropriation bill.

There was no objection.

Mr. ZIONCHECK. Mr. Chairman, the city of Seattle's budget for 1936 is \$8,048,598, which includes the items as listed here, interest charged on debts not listed, and maintenance and repairs to public buildings and roads not listed; \$4,914,042 is to be derived from general taxation, the balance from fines, licenses, and occupational tax.

In comparing the city of Seattle and the District of Columbia, it is my honest belief that if the residents of the District will assist the District Committee on Appropriations, thoroughly equalize the taxes, stop expensive expenditures that are not needed other than for public welfare, see that they receive one dollar of value for every dollar expended, and give the assessor of this District an additional force to check and bring about tax equalization.

By the way, the gentleman from Pennsylvania [Mr. DITTER] did not mention the fact that there is no way of collecting personal-property taxes in the District. The Wardman Park Hotel has not paid a personal-property tax in 10 or 15 years. The Carlton Hotel has not paid their personal-property tax for certain years, and others have not paid their personal tax. They are all dodging taxes and are not paying them. The ones that are the biggest tax dodgers are the ones who put up the biggest squawk.

The District of Columbia will need to ask nothing of the Government of the United States and can reduce their budget by 20 percent and can maintain a surplus. Perhaps there would be some argument that the Government should pay into the District fund, regardless of how low the Budget may go.

To you Congressmen I would say that I am sure the city of Seattle will furnish you with ground and that you may bring the Capital of the United States to Seattle, where we have a climate that all the Government people will certainly enjoy, and we will not tax you a cent for the upkeep of the city.

I was back there this winter and by the 15th of January the thermometer had not gone below 42 above zero. In the summer it never gets above 85 or 90 and you have to use blankets to sleep under during the night. It snows there once in 2 or 3 years. It is delightful. You are healthy. Look at me. We will help build the necessary buildings if the Capital is moved there. I understood a few years ago they were offered \$500,000,000 to move the Capital. If the people down here do not want the Capital, we can move. You can move to a place that is much nicer than this place, where you freeze in the wintertime and sweat in the summertime. It is a perpetual Turkish bath. It is terrible.



## Comparative statement

	Seattle	District of Columbia
Mayor.....	\$13,536	\$47,400
Corporation counsel.....	72,781	99,520
Police court.....	20,699	1,815,660
Police.....	1,076,411	3,626,670
Fire.....	1,196,729	2,474,120
Health.....	439,501	484,170
Garbage collection.....	376,000	1,360,360
Building.....	330,752	908,410
Streets and sewers.....	402,735	3,624,821
Park.....	473,273	1,665,210
Emergency fund.....	125,000	
Street lighting.....	375,000	981,100

And in conclusion, you will note in the Hearst papers that William Randolph Hearst is taking sides with high taxes and expenditures in the District in his editorials and in his articles. In Seattle, Wash., where we have only a few Government employees, the Post Intelligencer on September 18, 1935, page 10, in an editorial by William Randolph Hearst, under the heading "Bleated Tax Eaters", advises the immediate discharge of hundreds of thousands of employees. This certainly ought to prove to anyone that they should not believe the editorial policy of the Hearst newspapers. In Washington, D. C., the Government employees are wonderful to William Randolph Hearst. In Seattle they are "bleated tax eaters", who should be discharged immediately.

[Here the gavel fell.]

Mr. MARSHALL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have sat here this afternoon and on other occasions and listened to the many speeches which have been made in regard to the teaching, or perhaps I should say the alleged teaching, of communism in the District.

I do not know whether there is more communism taught in the District of Columbia than elsewhere in the country or not. There should be none, and I hope there will not be a continuation of such instruction if it is being carried on.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I will yield in just a moment.

The thought I want to get across is this: The simplest way to prevent the teaching of communism here or elsewhere is to employ teachers who do not believe in communism. [Applause.] In this instance here I am informed that the teachers are appointed by the Board of Education and that the Board of Education is selected by the courts of this District, and they, in turn, are appointed by the President of the United States; and it is my thought that you cannot, by legislation, control the teaching of communism, because if you hire an instructor who believes in communism, you can lay down no rules of conduct on his part which he cannot very easily transgress and get across the doctrine in which he believes. So to my mind the only way you will ever control the teaching of communism here or elsewhere is to weed out from the teaching force the ones who believe in communism.

I now yield to the gentlewoman from New Jersey.

Mrs. NORTON. I simply wish to tell the gentleman that there has never been a complaint from a single parent in the District of Columbia with regard to teaching communism in the public schools here. I think the talk we have heard about communism in the schools is entirely unnecessary, and if the gentleman will follow the hearings that are now being conducted with regard to what they call the little red rider, I think he will be convinced there is really no communism being taught in the public schools of Washington, and there is no evidence to indicate that there ever has been.

Mr. MARSHALL. I thank the gentlewoman for the information. I am suggesting a way to rid the schools of this influence if it exists.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. BLANTON. The evidence before our committee shows that we have a stack of complaints in this file that from time to time parents of school children have made against practices constituting communism; and I want to say to my friend

from Ohio, in spite of what the gentlewoman from New Jersey has said—and I think I have given more attention to it than she has in the 20 years I have been here—there was one teacher in the Western High School a few years ago who was suspended by the Board of Education for being an anarchist.

Mr. MARSHALL. Will the gentleman let me ask him the question whether or not the gentleman agrees with me that the whole matter can be healed better in the way I stated than by the enactment of legislation?

Mr. BLANTON. I think you are going to have to begin at the very apex of the school system and go down the line.

Mr. MARSHALL. The President of the United States is the apex of the school system here.

Mr. BLANTON. No; the real apex is the superintendent of schools.

Mr. MARSHALL. He owes his position to the President of the United States.

Mr. BLANTON. The superintendent of schools has had his own way with the Board of Education. We are going to have to do for him what he said he was going to do for the teachers here, and that is to put in his bosom a new and different philosophy of education than what he has in his bosom now.

Mr. MARSHALL. Into whose bosom?

Mr. BLANTON. The superintendent of schools.

Mr. MARSHALL. Why do you not fire him?

Mr. BLANTON. We do not have the power to fire him.

Mr. MARSHALL. The whole thing goes back to the appointing power, which is the President of the United States.

Mr. BLANTON. No; the President has no authority to discharge him. I want my friend to read all the evidence of the superintendent of schools in the hearings and also read all the evidence of Mr. George Jones, his professor of history, who prepares the bulletins for social studies, and he will then ascertain that the superintendent of schools is responsible.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Chairman, I rise in opposition to the amendment.

Does the gentleman from Texas feel that that little "red rider" put upon an appropriation bill would inculcate within the bosom of this superintendent of schools a different social philosophy or a different economic philosophy?

Mr. BLANTON. Will the gentleman let me answer him?

Mr. ZIONCHECK. Yes; surely.

Mr. BLANTON. It stops the superintendent from indoctrinating his "new philosophy of education." At present there is no law that would prevent a teacher from explaining to a pupil that communism means there is no church, there is no God, there is no such thing as religion, there is no such thing as national honor, which Stalin preaches to Russian children.

Mr. ZIONCHECK. Now, I refuse to yield for a political speech for Texas.

Mr. BLANTON. Teachers here can explain that now to the children, which the corporation counsel has explained in his opinion.

Mr. ZIONCHECK. I do not yield for a political speech, because I do not believe that the gentleman from Texas knows what communism is. What is it?

Mr. BLANTON. I am not a Communist, but I know a lot about Communists and communism.

Mr. ZIONCHECK. What is the philosophy of communism, if you know—if you are an authority?

Mr. BLANTON. I will answer the gentleman in my own time.

Mr. ZIONCHECK. Now, I will tell you what it is.

Mr. BLANTON. I will ask, Mr. Chairman, that the gentleman observe the rules of the House.

Mr. ZIONCHECK. If the gentleman from Texas does not want to become enlightened—

Mr. MAVERICK. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. Does the gentleman from Washington yield for a parliamentary inquiry?

Mr. ZIONCHECK. Yes; I yield for that purpose.

Mr. MAVERICK. As I understand, we are on the appropriation bill for the District of Columbia, but we are spend-

ing a lot of time talking about everything else. This bill is not on the philosophy of communism, but is on appropriations, and I want to make the parliamentary inquiry: Are we really following the rules of the House at this time and have we been?

Mr. ZIONCHECK. I think we are following the rules of the gentleman from Texas.

The CHAIRMAN. The Chair will state that the discussion must be confined to the matter in the bill.

Mr. MAVERICK. As a Member of the House I ask that for the rest of the day we follow that rule, because the new philosophy and the old philosophy and all the different philosophies have nothing to do with appropriations.

Mr. ZIONCHECK. I refuse to yield further and under the circumstances, I shall say no more and I shall raise a point of order if the subject is brought up again, because it is very evident there is nothing about communism in this bill, and there is no such red rider on this appropriation bill. That is permanent law now and must be repealed if we are to treat the teachers here as Americans should be treated.

The Clerk read as follows:

#### WHARVES

For reconstruction, where necessary, and for maintenance and repair of wharves under the control of the Commissioners of the District of Columbia, in the Washington Channel of the Potomac River, \$3,000.

Mr. BLAND. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 25, after line 5, insert a new paragraph, as follows:

"For construction of piers at fish wharf and market, including approaches, preparation of plans and specifications and personal services, \$20,000."

Mr. BLAND. Mr. Chairman and gentlemen of the Committee, when the District of Columbia appropriation bill was before the House last year I called attention to the need for this appropriation. In 1914 there were built three wharves for municipal purposes. These wharves consisted of two small wharves and one large wharf. In 1932 the large wharf had become so damaged that it was removed. These wharves are used for general commercial purposes and received large quantities of agricultural and sea-food products.

Mr. BLANTON. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. BLANTON. I want to say to the gentleman that every member of the committee was very sympathetic with this item. It was not recommended by the Budget, and there were so many other items that had priority that we did not include this item in the bill.

If the gentleman will get a Budget estimate and send it up now, we will put it on in the Senate. We had already exceeded the Budget estimate by items that we thought had priority. The members of the committee were sympathetic with the gentleman's item, and I hope he will withdraw his amendment and get the Budget to send up supplemental estimates.

Mr. BLAND. Will the gentleman give me the time he is using so that I may answer?

Mr. BLANTON. I shall not object to the gentleman having an extension.

Mr. BLAND. Last year I waited for just that thing and tried to get the item inserted in the Senate. The item was not inserted. This year I tried to get the Director of the Budget to approve it. I have a great deal of respect for the Budget Director, but I think we ought to exercise our own authority and our own judgment. The item is worthy and should be inserted now.

I do not feel that I should withdraw the amendment under the circumstances. It appears that there are three or four hundred people who are bringing agricultural and sea-food products to Washington, and making many trips every year. These boats used this large wharf. They bring fresh vegetables which they sell more cheaply to the people. That is not all. It is not a matter that relates only to the people coming up from my district, or from Maryland or North

Carolina. When I discussed this item last year I presented a memorandum which I procured from the Commissioners. This memorandum stated that in the past a considerable quantity of lumber had been shipped to Washington by boat, but that present facilities are not adequate to take care of this business. Some of this lumber came from the Pacific coast and some from other points. The memorandum stated that there is ordinarily used in Washington about 50,000,000 feet of lumber per year from the Pacific coast. This lumber is now brought to Baltimore by boat and then shipped to Washington by rail. It is stated upon the same authority that a saving in transportation and handling cost of about \$4 per thousand would result if there were sufficient docking space at Washington wharves for boats bringing this lumber from the western coast.

I submit that the city of Washington is entitled to have these docks and wharves that may serve its tributary area.

The statement also shows that the average amount of sugar before the destruction of this pier was about 6,000 tons per year, said to be more than one-half of the sugar used in Washington. The shipments of sugar by boat necessarily were discontinued after the large pier was demolished because of inability to furnish docking space.

Omit from consideration, if you will, the people coming from my section, coming up the Potomac, or from nearby points in Maryland or North Carolina, and still as a common sense proposition it must follow that the people of Washington are entitled to have the benefit of water-borne commerce and to have proper docking facilities to receive that commerce. All I ask is \$20,000 for the restoration of the large wharf. The other two wharves are now said to be in worse condition than the large wharf at the time the large wharf was demolished.

Mr. BLANTON. Mr. Chairman, the committee is sympathetic with this item and there is a movement now to place the matter before the Budget. They are to pass upon the matter and if they send an estimate here it can be put in in the Senate.

Mr. BLAND. But it has been before the Budget for 6 years.

Mr. BLANTON. But there were so many things of greater priority that we did not feel that this ought to go into the bill inasmuch as we put some matters in above the Budget which the Commissioners said were very urgent and had greater priority. I hope the committee will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 12, noes 18.

So the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NELSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 11851, the District of Columbia appropriation bill, and had come to no resolution thereon.

#### PICKETING FREE SPEECH—WHERE PLAGIARISM IS AN HONOR

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, we should not chide too severely the members of the National Americanization League for picketing the offices of the Columbia Broadcasting Co. on the occasion of Earl Browder's speech. The right to picket and also to appear ridiculous is an American right. But so is the right of free speech, and we can think of none other to which a body devoted to Americanizing the country should give more sympathetic attention.

Mr. Browder, to be sure, is a Communist whose avowed intention is to promote the formation of a national Farmer-Labor Party as a vehicle for the advancement of a com-



munistic program. And Communists have as little respect for free speech as they have for private property. Give them the power and they would abolish it forthwith. But democracy lives by the principle, and especially in such a case as this is it under the obligation to assert it. Could there be any better demonstration of our confidence in our own political philosophy and institutions?

#### COLUMBIA BROADCASTING CO. MAKES NO MARTYRS

There are other, perhaps more practical, reasons for applauding the Columbia system's lack of discrimination. "Columbia believes that the best way to make martyrs out of Communists is to gag them", said a statement in answer to the Americanization League's protest. Very well put. Speech is the traditional safety valve for political emotions. It should be permitted to operate over the air as in the press or any other medium of popular expression. Meanwhile, thanks to the liberation of Mr. Browder's utterances, we have had the antidote of an address over the same network from Representative HAMILTON FISH, Jr.

There is also the consideration of censorship. Up in New England several stations refused to transmit the Browder speech, while carrying that of Mr. FISH. There must be plenty of rugged individualists in that rock-ribbed region who thoroughly resented this dictation of their radio fare. We would paraphrase the Columbia statement by saying that the best way to make Communists out of such Americans is to forbid them the choice of their own intellects.

WHEREIN A REPUBLICAN PAPER, THE NEW YORK HERALD TRIBUNE, IS SHOWN TO BE RIGHT

Mr. Speaker, the words which I have used I have taken bodily from a New York Herald Tribune editorial page, March 7, 1936, and have adopted the wording as my own, with the exception that the first two words of the editorial were "we would", which I have changed to "we should." For that reason I have not merely inserted an editorial to be put in small type but have made it as my own speech and not as a quotation. I must acknowledge the inspiration, however, from the Herald Tribune.

I think that all of us must agree—conservatives, reactionaries, liberals, or what not—that freedom of speech must be maintained. For that reason, whenever I can agree to any statement made by a responsible, intelligent, and honorable newspaper like the Herald Tribune, although it is a Republican newspaper, I am glad to do it. This is one case of plagiarism which I openly admit and claim as an honor to myself, likewise hoping that it is an honor to the Herald Tribune itself to have its words placed in the CONGRESSIONAL RECORD.

#### AIRPORT FOR DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I present a conference report upon the bill (H. R. 3806) to establish a commercial airport in the District of Columbia for printing under the rule.

#### A STEP IN THE DIRECTION OF CURBING MONOPOLY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record, and to insert therein a copy of an opinion of the Federal Trade Commission today in the Sears-Roebuck-Goodyear tire case. It is one of the most important cases ever handled by the Federal Trade Commission, and I want to insert in connection with my remarks the findings of fact of the Commission, a statement of the conclusions, and a copy of the order to cease and desist.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

FEDERAL TRADE COMMISSION,  
Washington, Thursday, March 5, 1936.

#### CEASE-AND-DESIST ORDER ENTERED IN GOODYEAR-SEARS, ROEBUCK & CO. TIRE CASE

Under an order entered today by the Federal Trade Commission the Goodyear Tire & Rubber Co., of Akron, Ohio, its subsidiaries, and their officers, agents, etc., are directed to cease and desist from discriminating in price between Sears, Roebuck & Co. and the respondent Goodyear's retail dealer customers by selling automobile tires to the said Sears, Roebuck & Co. at net realized prices which are lower than the net realized prices at which the said respondent sells the same sizes of tires of comparable grade and quality to individual tire dealers or other purchasers.

In arriving at the said net realized prices the order requires the respondent to "take into account and make due allowance, and only due allowance, for differences in the cost of transportation and selling tires to individual tire dealers on the one hand and Sears, Roebuck & Co. on the other." The order concludes by stating that nothing therein "shall restrict the respondent's liberty to remove the discrimination either by increasing its price to Sears, Roebuck & Co. or by lowering its price to its other customers."

The order directs the respondent to file with the Commission within 30 days from notice thereof a report in writing stating in detail the manner in which the order will be "complied with and conformed to."

The order ends one of the most important cases ever to come before the Federal Trade Commission. The Commission's formal complaint against the Goodyear Tire & Rubber Co., issued under section 2 of the Clayton Act, was ordered on September 13, 1933, and was made public on October 18 following. Hearings were held for the taking of testimony in a number of cities, including Washington, D. C., and Akron, Ohio. Some months after issuance of the complaint, attorneys for the respondent entered a motion to dismiss the complaint on the ground that the evidence had failed to show the violation of the Clayton Act charged in the complaint. This motion was overruled by the Commission on June 22, 1934, and the taking of testimony was resumed.

Final argument was heard by the Commission in Washington, D. C., on January 14 and 15, last, at the conclusion of which the Commission took the matter under advisement.

At the same time that the cease-and-desist order was made public, the Commission made available a summary of its findings of fact and a statement of its conclusions.

The findings of fact showed that the Goodyear-Sears, Roebuck & Co. contract, which the Commission said was discriminatory, was entered into on March 8, 1926, on a cost-plus basis, was renewed on May 17, 1928, and again renewed on October 5, 1931, the latest contract to run until December 31, 1942. On the rate the last contract was entered into, the Commission said in its findings of fact, a secret agreement was entered into under which the Goodyear Co. assigned to Sears, Roebuck & Co. 18,000 shares of Goodyear common stock and also paid over to Sears, Roebuck & Co. \$800,000 in cash to be used in the purchase of 32,000 additional shares of Goodyear common stock as a consideration for the signing of the third contract without opening it up to competition.

In its findings of fact the Commission found, among other things, that the gross discrimination in favor of Sears, Roebuck & Co. ranged from 32 to 53 percent.

That the net average sales-price discriminations, after deductions from dealer prices for discounts and allowances and transportation over the entire period, varied from 29 to 40 percent.

That the total net discrimination, after making the allowances referred to, amounted to approximately \$41,000,000, or approximately 26 percent of the aggregate net sales price to independent dealers on a volume of business comparable to that of Sears, Roebuck & Co.

That the respondent concealed the prices and terms at which it was selling tires to Sears, Roebuck & Co. from its own sales organization and from the trade generally, and that the competition which Sears, Roebuck & Co. was thus able to bring into the retail tire market was a major factor in driving out of business a large number of retail tire dealers, and that this reduction in the number of independent tire dealers in turn drove out of business numerous small tire manufacturers.

The price discrimination found to exist, said the Commission in its statement of conclusions, "was not justified on account of differences in the grade, quality, or quantity of the commodity sold, or by difference in the cost of selling or transportation, or by good faith to meet competition, and it had the effect of substantially lessening competition and tending to create a monopoly."

A summary of the Commission's findings of fact, a statement of its conclusions and copy of the order to cease and desist are attached hereto.

#### SUMMARY

The following is a brief summary of the foregoing findings:

1. Respondent, an Ohio corporation with principal office and place of business and principal manufacturing plants at Akron, Ohio, is the largest manufacturer and distributor of pneumatic rubber tires in the United States.

2. Respondent, since about 1914, has distributed the great bulk of its pneumatic rubber tires sold for resale in the several States of the United States through approximately 25,000 local retail dealers.

3. Sears, Roebuck & Co. is a New York corporation with its principal office located in the city of Chicago, State of Illinois, engaged in the distribution of general merchandise products, including pneumatic rubber tires and tubes, by mail order and through chain stores to the consuming public, and is reputed to be the largest mail-order house and chain-store operator in the United States.

4. On March 8, 1926, respondent and Sears, Roebuck & Co. entered into a contract by which respondent agreed to manufacture and to sell, and Sears, Roebuck & Co. agreed to purchase upon a basis of cost plus 6 percent (afterward 6½ percent), the requirements of Sears, Roebuck & Co. for a supply of the pneumatic rubber tires which it sold at retail. This contract with minor modifications was renewed May 17, 1928, and again October 5, 1931, and under the terms of the last renewal will remain in force at least until December 31, 1942.

5. On October 5, 1931, the date that the last tire contract was entered into, a secret agreement was made between respondent and Sears, Roebuck & Co. by which respondent assigned to Sears, Roebuck & Co. 18,000 shares of Goodyear common capital stock and gave to Sears, Roebuck & Co. \$800,000 in cash to be used in the purchase of 32,000 more shares of Goodyear common capital stock as a consideration for the signing of the third tire contract without opening it to competition.

6. Under these several tire contracts, respondent has in fact, with minor exceptions, manufactured and sold to Sears, Roebuck & Co. its requirements of pneumatic rubber tires which it sells at retail.

7. Pursuant to the terms of these several tire contracts between respondent and Sears, Roebuck & Co., respondent has sold tires to Sears, Roebuck & Co. at prices substantially lower than it sold tires of comparable grade and quality to independent retail tire dealers. This difference in sales price has averaged, on four popular sizes of tire casings, from 32 to 40 percent in 1927; from 33 to 55 percent in 1928; from 35 to 45 percent in 1929; from 36 to 46 percent in 1930; from 35 to 50 percent in 1931; from 38 to 48 percent in 1932; from 35 to 53 percent in 1933. The average gross discrimination on these four sizes for the entire period of time from May 1926 to December 1931 was approximately 40 percent. On other sizes the gross discrimination over the entire period varied from 32 to 42 percent.

8. The net average sales price discrimination remaining after deductions had been made from the dealer prices for discounts and allowances and transportation over the entire period varied from 29 to 40 percent on eight sizes of tires. The total aggregate net discrimination after making such allowances amounted to approximately \$41,000,000, or approximately 26 percent of the aggregate net sales price to independent dealers on a volume of business comparable to the volume sold to Sears, Roebuck & Co.

9. Such discriminatory prices were not given to Sears, Roebuck & Co. on account of differences in quantity of the commodity sold, nor were they given to make only due allowance for differences in the cost of selling or transportation. Net price discrimination, after making due allowance for selling and transportation costs, ranged from 11 to 22 percent on eight popular sizes of tires.

10. Such discriminatory prices were not made to Sears, Roebuck & Co. in good faith to meet competition. No competitor of financial responsibility, able to meet Sears, Roebuck & Co.'s requirements as to quantity and quality of the tires, has ever solicited Sears, Roebuck & Co.'s tire business by offering tires of Goodyear quality to Sears, Roebuck & Co. at prices as low as Sears, Roebuck & Co. was paying respondent.

11. Respondent concealed the prices and terms at which it was selling tires to Sears, Roebuck & Co. from its own sales organization and from the trade generally, and at no time did respondent offer to its own dealers prices on Goodyear brands of tires which were comparable to prices at which respondent was selling tires of equal or comparable quality to Sears, Roebuck & Co.

12. None of Sears, Roebuck & Co.'s competitors have the advantages of similar low prices. Sears, Roebuck & Co. was and still is enabled by such discriminatory prices to undersell, at a profit to itself, all retail tire distributors, including retail dealers selling respondent's brands of tires and competing dealers selling tires of other manufacturers.

13. Sears, Roebuck & Co. has, in fact, persistently, systematically, and substantially, undersold such dealers by pricing for the consumer market the tires which it had so purchased from the respondent at prices ranging from 20 percent to 25 percent lower than the prices placed upon tires of comparable grade and quality sold by other retail dealers in the market, except in the year 1933, when, due to outside pressure, Sears, Roebuck & Co. prices were only approximately 10 percent lower. Sears, Roebuck & Co.'s volume of sales of tires increased more rapidly than any other retail distributor from 1926 to 1930, and it is still the largest retail distributor of tires in the United States.

14. Sears, Roebuck & Co. usually led in price declines during the period covered by the contracts, that is, from 1926 through 1933, and with the low prices aggressively pushed the sale of its tires by the use of numerous sales devices, such as excessive guarantees, free tube offers, and trade-in allowances.

15. The competition which Sears, Roebuck & Co. thus brought into the retail tire market in the several States was a major factor in driving out of business a large number of retail tire dealers by reducing their volume of sale of tires or by curtailing of profits derived by such sales, or both.

16. The Sears, Roebuck & Co.'s competition became destructive and was not such normal competition as would be of benefit to consumers, since Sears, Roebuck & Co. was able, through its discriminatory price advantages, to practice such competition and to succeed in engrossing for itself abnormal profits, while curtailing the profits of its competitors.

17. Sears, Roebuck & Co.'s competition tended to and was in fact a major factor in curtailing the number of competitors that were independent tire dealers, and tended to and was a major factor in substituting for such independent retail tire dealers as were driven out of business mass distributors and other large-volume dealers.

18. Such curtailing of a number of independent retail tire competitors has in turn driven out of business numerous small tire manufacturers and has thus reduced the manufacture and sale of pneumatic rubber tires to a smaller and smaller number of independent manufacturers and dealers.

19. Respondent, as a result of the increased volume of business it has obtained through the sale of tires to Sears, Roebuck & Co. and the reduction in the number of independent manufacturers and dealers resulting from Sears, Roebuck & Co.'s competition, has substantially increased its percentage of the total industry renewal sales since the year 1926 and has increased its dominant position in the tire industry.

#### CONCLUSIONS

Said respondent, the largest rubber-tire manufacturer in the world, has been and now is engaged in interstate commerce in the sale of tires (casings and tubes) to independent service-station dealers and also wholesalers, chain retail stores, and mail-order houses in competition with other manufacturers and wholesalers of tires in the United States. Tires are commodities within the meaning of the language of section 2 of the Clayton Act. In the course and conduct of its said business respondent has unlawfully discriminated in price in the sale of tires between its purchasers thereof; that is to say, between Sears, Roebuck & Co., the largest mail-order and chain-store operator in the United States, and other purchasers of tires, competitors of said Sears, Roebuck & Co., by allowing Sears, Roebuck & Co. a lower price than allowed other purchasers competitively engaged in said line of commerce, and also by allowing said Sears, Roebuck & Co. secret rebates and discounts in the form of cash and valuable stock bonuses. These said price discriminations were concealed by said respondent from said other purchasers, and the said price discriminations hereinbefore described have the capacity and tendency to, and in fact do, substantially lessen competition in the sale and distribution of rubber tires (casings and tubes) for use on motor trucks and passenger automobiles between respondent and other manufacturers and wholesale distributors of said products and between the said Sears, Roebuck & Co. and other retail tire dealers engaged in the sale and distribution of rubber tires (casings and tubes) in competition with said Sears, Roebuck & Co., including retail tire dealers engaged in the sale and distribution of Goodyear branded tires. Said discriminations also have the tendency and capacity to create a monopoly in said respondent in the sale and distribution of rubber tires (casings and tubes) for use on motor trucks and passenger automobiles to wholesale and retail tire dealers now owned or controlled by said respondent, located throughout the several States of the United States. Said discriminations also tend to create a monopoly in the respondent and said Sears, Roebuck & Co. in the retail distribution and sale to the public of rubber tires (casings and tubes) for use on motor trucks and passenger automobiles throughout the several States of the United States. Said discriminations in price were not made on account of the differences in grade, quality, or quantity of the commodity sold, nor did said discriminations make only due allowance for differences in the cost of selling or transportation of said tires, nor were said discriminations made in good faith to meet competition.

The cost of selling large annual quantities to Sears, Roebuck & Co. is less than the cost of selling small individual shipment quantities to independent tire dealers, and a lower price to Sears, Roebuck & Co. is justified only to the extent that its large annual purchases are economically justified; that is, to the extent that Goodyear's large sales to Sears, Roebuck & Co. are less expensive to make than its smaller sales to independent tire dealers.

The Commission does not consider a difference in price to be on account of quantity unless it is based on a difference in cost, such difference in price is reasonably related to, and approximately no more than, the difference in cost, otherwise the discrimination will create unjust preference and unfair competitive conditions. The evidence in this case does not show that the amount of the discrimination is made in favor of large sales to Sears Roebuck & Co. and against small ones to the independent dealer on account of savings or economies to the seller, taking into account all relevant factors going to make up price on account of quantity. The difference in price shown in this case far exceeds any demonstrated difference in savings and bears no reasonable relation to the differences in cost.

The practice of giving large and powerful purchasers a disproportionately large discount is not justified. Such a discrimination, when made merely on account of size, tends toward monopoly and the suppression of competition. If the quantity proviso be interpreted to mean that a manufacturer can discriminate with respect to quantity sales to any extent he desires, the section would be rendered meaningless and ineffective. It is clear that the quantity proviso can only have been intended to preserve to the large buyer the inherent economies of large purchases and does not give a manufacturer a license to grant him a favored price without restraint. Quantity discounts are exempt because such a discount involves some economic utility that should be preserved. The meaning of the quantity exception, therefore, is not that a difference in quantity permits price discrimination without limit or restraint, but merely that a difference in the quantity of the commodity sold must be given reasonable weight in determining whether the discriminatory price is warranted.

In arriving at a price on account of quantity sold, some standard of comparison is necessary. It is the relation between price and quantity. Factors that go to make up price because of quantity are to be taken into account and given reasonable weight in determining whether a price discrimination is legal or illegal. Quantity sales are cheaper than small ones, and to this extent they are economically justifiable. A quantity discount based on the amount of annual sales is a price discrimination contrary to section 2 of the Clayton Act unless it can be shown that it represents and



fairly approximates lower costs. On the one hand, remote and unsubstantial differences in cost may be disregarded, and, on the other hand, a discount is not to be condemned merely because it does not mathematically accord with cost differences. The problem is a practical one and must depend on the effect and intent of the scheme as a whole. The principle back of section 2 of the Clayton Act is one of equality to purchasers, and in order to maintain this principle of equality it is necessary that the difference in price be reasonably related to the difference in cost and not a covert means of favoritism. If it was left to a manufacturer to make the price solely on account of quantity, he could easily make a discount by reason of quantity so high as to be practically open to the largest dealers only. A manufacturer, if allowed to do so, might in this manner hand over the whole trade in his line of commerce to a few or a single dealer, or it might at will make the discount equal to or greater than the ordinary profit in the trade, and competition by those who could not get the discount would obviously be out of the question.

A manufacturer, under the Clayton Act, is under a duty to comply with the law, and he may not make his bargains according to his own interest by discriminating as he pleases, however honest and however justifiable such course might be from the standpoint of commercial principles. Large industrial companies, through price discrimination, can control competitive business conditions among their customers to the extent of enriching some and ruining others. Under the Clayton Act a manufacturer has no right to put dealers to any such destructive disadvantage by any unjustified discrimination. While a manufacturer has an interest in making attractive offers in order to secure as much business as possible, it is, however, an interest which can only be consulted and acted upon in subordination to law. When one discriminates in price between competitors he reduces the price to one or some of them. Competition limits the selling price. When a competitor is given a lower price, it follows that his profit has been increased by just the amount of the reduction. It equally follows that every competitor has been put to a disadvantage in just that sum.

It is not contemplated by the statute that a discriminatory price made on account of quantity may be a secret price, but the statute contemplates a price open to all of the sellers' customers who may desire to purchase a similar quantity at like prices on like terms.

A lower price to Sears, Roebuck & Co. for large quantities purchased, not justified by differences in cost, cannot be justified on the ground that such lower price was made in good faith to meet competition or because respondent deems such a price necessary to keep the business from going to a manufacturer competitor. The proviso in the act permitting discrimination made in good faith to meet competition is available to the respondent only if its manufacturer competitors have already made an equally low and discriminating price to Sears, Roebuck & Co.

If a powerful concern starts a campaign of price cutting in a particular community and to particular customers in violation of the Clayton Act, a competitor does not violate the act by meeting this competition by a corresponding discrimination. It is a discrimination in good faith for defensive purposes that is sanctioned, not offensive discrimination.

The Commission considers the correct theory of the law to be that, in addition to the statutory cause of action for treble damages against an offensive price discriminator and in addition to the right to apply to the Federal Trade Commission for a cease-and-desist order, there is an immediate right of self-defense; but that it is available only if the discrimination started with the competitor, and it must be exercised in good faith. A manufacturer may justify a discriminatory low price to a large purchaser on the ground of meeting competition only if his competitor has previously made an equally low and discriminating price to that purchaser. Any other interpretation would nullify the effectiveness of the whole section.

In the phrase in the statute, "Where the effect of such discrimination may be to substantially lessen competition", the words "where the effect may be" are obviously used merely to indicate that it is tendency and probable effect rather than the actual results that are important. It follows that the words "substantially lessen competition" are not to be taken in a purely quantitative or arithmetical sense. It is not necessary, nor is it sufficient, to find that difference in price (or any other unfair acts for that matter) will result in, say 5 percent or 10 percent less competition than there was before. Such an interpretation would make the law entirely unworkable, for competition is not a thing that can be measured with a yardstick. It would, moreover, be inconsistent with the intent of Congress as expressed in the law, the purpose of which is to insure fair and honest competition based on efficiency. The words "may be" indicate neither bare possibility nor certainty, but probability, to be deduced from the intent or inherent character of the acts themselves. The words must be construed together with the whole section, and they must be taken all together to indicate generically the distinction between fair and unfair competition. The law is designed to prevent lessening of competition by unfair acts. As long as fair methods are followed, competitive conditions will prevail; unfair methods always tend to monopoly.

In this case there is a price discrimination in favor of Sears, Roebuck & Co., which gives it an unfair competitive advantage, thereby producing an unjust competitive situation as between it and independent tire dealers. The discrimination is not grounded on efficiency and cost. It is the opinion of the Commission that no justification exists for this discrimination or method of competition.

With respect to the qualification that price discrimination is forbidden only insofar as its effect may be to substantially lessen competition or tend to create a monopoly in any line of commerce, the Commission considers this to mean merely that the discrimination must have the effect of imposing an unlawful restraint on competition, as distinguished from normal competitive methods.

In considering the question of price discrimination it is important to bear in mind the underlying theory of section 2 of the Clayton Act. That theory is that monopoly on the whole is an unnatural product, the result of unwholesome competitive methods; and that it will not ordinarily result where the methods of competition are fair. Hence, to prohibit price discrimination—unfair methods of competition—is to prohibit the methods which foster monopoly.

Price discriminations are specifically condemned by the act because the Congress deems them to be unfair and injurious. They are condemned, it is true, only "where the effect may be to substantially lessen competition or tend to create a monopoly", but this simply means that the discrimination must be of a type which experience has demonstrated to be unfair. The hypothesis which underlies section 2 of the Clayton Act is that price discriminations not justified on the basis of cost and efficiency create unfair competitive conditions, and that unfair competitive methods of themselves tend toward monopoly.

The price discrimination to Sears, Roebuck & Co. was not justified on account of differences in the grade, quality, or quantity of the commodity sold, or by difference in the cost of selling or transportation, or by good faith to meet competition, and it had the effect of substantially lessening competition and tending to create a monopoly.

The Commission therefore finds that the said discriminations were and are in violation of section 2 of said Clayton Act.

By the Commission.

CHARLES H. MARCH, *Chairman*.

Attested this 5th day of March, A. D. 1936.

OTIS B. JOHNSON, *Secretary*.

UNITED STATES OF AMERICA. BEFORE FEDERAL TRADE COMMISSION, AT A REGULAR SESSION OF THE FEDERAL TRADE COMMISSION, HELD AT ITS OFFICE IN THE CITY OF WASHINGTON, D. C., ON THE 5TH DAY OF MARCH, A. D. 1936

Commissioners: Charles H. March, chairman; Garland S. Ferguson, Jr., Ewin L. Davis, William A. Ayres, Robert E. Freer.

In the matter of the Goodyear Tire & Rubber Co. Docket No. 2116.

#### ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint and amended complaint of the Commission, the answers of the respondent thereto, testimony and evidence taken before John W. Burnett, examiner of the Commission, theretofore duly designated by it, in support of the charges of said complaints and in opposition thereto, briefs filed herein and oral argument by Everett F. Haycraft and PGad B. Morehouse, counsel for the Commission, and by Edward B. Burling and Grover Higgins, counsel for the respondent, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of an act of Congress approved October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" (38 Stat. 730).

It is ordered that the respondent, the Goodyear Tire & Rubber Co., and its subsidiaries and their officers, agents, representatives, servants, and employees, in connection with the sale of automobile and truck tires (casings and tubes) sold in interstate commerce, for resale within the United States or any Territory thereof, or the District of Columbia, cease and desist from:

(1) Discriminating in price, either directly or indirectly, between Sears, Roebuck & Co. and respondent's retail dealer customers, or any of them, by selling said tires to said Sears, Roebuck & Co. at net realized prices which are lower than net realized prices at which said respondent, or any of its subsidiaries, sells the same sizes of tires of comparable grade and quality to independent tire dealers, or other purchasers. In arriving at said net realized prices, respondent shall take into account and make due allowance and only due allowance for differences in the cost of transportation and selling tires to independent tire dealers on the one hand and Sears, Roebuck & Co. on the other.

(2) Discriminating in price, either directly or indirectly, between Sears, Roebuck & Co., and independent retail dealers, by selling said tires to said Sears, Roebuck & Co., at an aggregate price computed and based upon the most of said tires, plus a fixed ratio of profit, which said price is less, in the aggregate, than a price currently computed or based upon a cost, computed in accordance with the accounting principles and procedures then maintained by respondent, and including all items of costs and expenses then being incurred in the manufacture, sale, and distribution of tires to all other purchasers of tires from said respondent engaged in the resale thereof, except advertising and selling expenses incurred in the sale of Goodyear brands, and with a profit factor which would be sufficient to return to said respondent thereon a ratio of net profit to cost of goods sold approximately equivalent to the ratio of net profit to cost of goods sold, realized from the sale of tires to said other purchasers: *Provided, however*, That in complying with this section of this order respondent shall not be prevented from following the method now employed in billing Sears, Roebuck & Co., periodically at estimated prices for all tires shipped to Sears, Roebuck & Co., during such period and

collecting the amount of said billing from Sears, Roebuck & Co., at times agreed upon between respondent and Sears, Roebuck & Co., and furnishing Sears, Roebuck & Co., at convenient times, agreed upon between respondent and Sears, Roebuck & Co., an estimate of the prices at which said tires will be billed to Sears, Roebuck & Co., and making recalculations or redeterminations of said prices at which said tires have been billed to Sears, Roebuck & Co., giving effect to the factors and bases entering into said prices, and in the event payments made by or due from Sears, Roebuck & Co., to respondent on account of the purchase price of the product delivered during the respective periods, exceeds the aggregate amount to which respondent would be entitled upon the basis of said recalculated or redetermined prices, respondent shall not be prevented from following the present method of paying to Sears, Roebuck & Co., such excess amount: *And provided*, That in the event the payments made by or due from Sears, Roebuck & Co., to respondent on account of the purchase price of the product delivered during the said respective periods were less than the aggregate amount to which respondent would be entitled on the basis of said recalculated or redetermined prices, then respondent shall not be prevented from requiring Sears, Roebuck & Co., to repay to the respondent the amount shown to be due respondent, in order to comply with the provisions of this order.

*Provided further*, That nothing herein shall restrict the respondent's liberty to remove the discrimination either by increasing its price to Sears, Roebuck & Co. or by lowering its price to its other customers.

*It is further ordered*, That said respondent shall, within 30 days from notice hereof, file with this Commission a report in writing stating in detail the manner in which this order will be complied with and conformed to.

By the Commission:

[SEAL]

OTIS B. JOHNSON, *Secretary*.

COMMEMORATION OF THE FOUNDING AND SETTLING OF THE CITY OF NEW ROCHELLE, WESTCHESTER COUNTY, N. Y.

Mr. MILLARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the city of New Rochelle in my district.

The SPEAKER. Is there objection?

There was no objection.

Mr. MILLARD. Mr. Speaker, there is on the Consent Calendar a bill which, if enacted, will authorize the striking of a coin to commemorate the two hundred and fiftieth anniversary of the founding and settling of the city of New Rochelle, in Westchester County, N. Y. New Rochelle is rich in colonial history, in which its residents take great and proper pride, and it is my purpose at this time to sketch briefly the early happenings there.

New Rochelle was originally a French community. The city's founders were descendants of the Huguenots, who, early in the seventeenth century, resisted the attacks of the French Army in La Rochelle and surrendered only upon the promise of future religious freedom. Fifty-seven years later, with the renewal of Huguenot persecutions by the revocation of the Edict of Nantes, the citizens of La Rochelle fled to England and Holland, and some of their number in 1686 commissioned the then Governor of New York to purchase for them a tract of land in America. On behalf of the refugees, Governor Leisler purchased from John Pell 6,000 acres of land, part of a tract purchased in 1640 from the Siqanoy Indians by the Dutch West India Co., transferred to Pell in 1654 and later known as Pelham Manor. The purchase price was approximately \$8,000, and Pell presented the colony with an additional 100 acres of land "for the church."

The main body of the Huguenot settlers, about 30 families, arrived in September 1688, but historians believe that several farms occupied by single families had been taken up before that time. Other Huguenot settlers arrived from time to time and were joined occasionally by Dutch and English settlers, but the colony, named in honor of their native city in France, remained French in language, custom, and spirit for many years.

These were an intensely religious people, of strong character, many highly educated and intelligent, who had been exiled from the country of their birth because of rebellion against the established French church. While they organized a church immediately upon their arrival, they could not maintain a regular pastor and are said to have walked barefooted, shoes and stockings in hand, a distance of more than 20 miles to attend services in the French church in New York City.

In New Rochelle today are standing houses built before the Revolution, and an old inn where stage coaches from New York to Boston stopped to change horses and where the flying messenger rested who carried from Boston the news of the Battle of Lexington. Washington, on his way to Boston to assume command of the Continental Army, traveled through and stopped at New Rochelle, as his diary indicates he did several other times during the war. New Rochelle was in the line of march from New York when General Howe, in pursuit of Washington, was joined by General von Knyphausen with his troop of Hessians and regiment of Irish cavalry. Skirmishes occurred in the vicinity throughout the war, but no important engagements took place. All through the war, however, the village which, like the whole of Westchester County, lay between the two armies, was plundered and pillaged and many residents were despoiled of all they possessed, churches were closed, and local government established in 1690 was suspended.

Following the Revolution, 1784, Thomas Paine, the patriot-hero and author of *Common Sense*, was given by the State of New York a confiscated farm in recognition of his great services, and Paine lived on the farm in New Rochelle for many years. Washington said of him that, "His pen was worth more than 10,000 bayonets."

Among the distinguished pupils in the New Rochelle schools in those early days were John Jay, Philip Schuyler, and Gouverneur Morris.

At Pelor's Tavern, General Lafayette was entertained when he traveled through New Rochelle on August 20, 1824.

Here in New Rochelle Daniel Webster courted and later married his second wife, Catherine LeRoy. After her husband's death Mrs. Webster returned to New Rochelle to make her home.

The advent of the railroad, which ran its first train through New Rochelle on Christmas Day, 1848, foreshadowed changed conditions which were to accelerate the growth of the village, but without affecting any sudden or radical change in its general characteristics.

New Rochelle stands today a busy little city of 54,000 inhabitants, living "45 minutes from Broadway"—a large number commuting to business in New York City.

Through me, the inhabitants of New Rochelle invite you and your friends to join with them in September 1938 in celebrating the two hundred and fiftieth anniversary of the founding of their city by that small but brave band of Huguenot refugees fleeing from religious persecution, and I hope you will accept their invitation, where a cordial welcome will be awaiting you not only in New Rochelle but in Westchester County as well.

AMERICANISM VS. COMMUNISM

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address delivered by me.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my speech over the Columbia Broadcasting System from New York Friday evening, March 6, 1936, as follows:

I accepted the invitation of the Columbia Broadcasting System to speak on communism, and reply, insofar as possible in the time allotted me, to the speech of Earl Browder, general secretary of the Communist Party of the United States, delivered over the Columbia network last night.

At the outset of my remarks, I want to make clear that I am neither criticizing nor defending the position taken by the Columbia Broadcasting System in allocating time to Mr. Browder and permitting him to urge his revolutionary propaganda against our free institutions and to spread class hatred among the American people.

I believe in freedom of speech, and as long as the Communist Party continues to have a place on the ballot in most of the States of the Republic, then there is no very sound reason to shut their leaders off the air. Personally, I do not consider the Communist Party of the United States as an American political party, but merely as a section of the Communist International, taking all its orders from the Communist International at Moscow.

The question of permitting the Communist Party to have a place on the ballot is a matter for each State to determine through its legislature, and not the Federal Government. The committee appointed by the House of Representatives in 1930 to investigate



Communist activities in the United States, of which I was chairman, included among its recommendations the following: "That the Communist Party should be declared illegal, or any counterpart of the Communist Party advocating the overthrow of our republican form of government by force and violence or affiliated with the Communist International at Moscow, be declared illegal."

While the Communists in the United States call themselves a party, they do not in an American sense constitute a party, and this word is a misnomer for the reason that Communists openly disavow the purpose of accomplishing their ends by parliamentary or constitutional methods under our republican form of government guaranteed to each State by the Constitution.

However, I see very little difference in permitting Earl Browder, a high official of the Communist Party, to speak over a coast-to-coast network when the radicals, Socialists, and near Communists of the New Deal "brain trust", who are spreading the same kind of class hatred, and, like termites, are undermining private property, capitalism, and the Constitution, can get almost as much time as they want. In fact, I am inclined to the belief that the open attacks of Communists against our industrial, social, and political institutions are far less dangerous than the subtle and insidious attacks of New Deal spokesmen, such as Under Secretary of Agriculture Rexford Guy Tugwell.

In a recent inflammatory speech at Los Angeles he denounced the capitalistic system and urged that we do away with "the sterile morality of individualism, and that all who disagree are Tories, autocrats, and enemies, and they must get out of the way with the moral system that supports them." Professor Tugwell, continuing his attacks on our American system and the promotion of class hatred, said, "And we should proceed for once in establishing a farmer-worker alliance which will carry all before it, reducing our dependence on half-way measures. Our best strategy is to surge forward with workers and farmers of the Nation—trusting on the genius of our leader (President Roosevelt) for the disposition of our forces and the timing of our attack."

Browder said in a recent speech to the Seventh Congress of the Communist International at Moscow that "our task", meaning the Communist Party, "is now to rally the disillusioned masses into an anti-Fascist and an anticapitalist political movement with the development of a workers' and farmers' labor party as the goal."

These are practically the identical words used by Professor Tugwell. Is there really much difference between the views expressed by Earl Browder and those of Mr. Tugwell, an accredited spokesman of the New Deal?

There are at present a host of young radicals, Socialists, near-Communists, and in some instances Communist contributors holding important positions under the New Deal administration who have never been affiliated or identified with the Democratic Party in the past but who are daily promoting class hatred, collectivism, and State socialism under the guise of Democrats.

In all fairness to Mr. Browder, he at least tells the public what his objectives are, and they can be understood by anyone who takes the trouble to study them. But is it right or fair to our American system that an administration, sworn to uphold and defend the Constitution, should either encourage or permit their own appointees while on the Federal pay roll to undermine our own institutions and spread class hatred?

I am more opposed to the New Deal on this score than any other, as it has done more to cause labor unrest, numerous and unprecedented strikes, and to promote more class hatred in 3 years than all other administrations in the last 150 years, since the birth of the Republic.

Mr. Browder, in speaking before the Communist International, last July said: "The party played an important roll in the great strike wave—in strikes the Communist Party often wielded a decisive and leading influence."

Last year I presented on the floor of the House of Representatives evidence in the form of photostatic receipts of checks which disclosed that Robert Marshall, Director of the Forestry Division, Bureau of Indian Affairs, in the Department of Interior, had actually contributed to a Communist veteran organization to promote Communist activities among the veterans and a Communist bonus march on Washington. I am informed that this patriotic gentleman is still on the Government pay roll, while millions of our citizens who believe in our American system are still walking the streets looking for a job.

There is one good thing about the Communists, and that is that they are far more loyal to their party principles than Republicans and Democrats who write them into party platforms and begin to forget about them immediately after the election. I refer particularly to the Democrats at this critical juncture.

Although I have been accused in the past of being an alarmist and fearful of the Communist bogeyman, I have no fear of the spread of communism in free America if the people know and understand the principles, aims, and purposes of communism.

The best way to combat communism is through education and by merely presenting the facts and not through force and violence, which only makes political martyrs of them. I have no fear of a Communist uprising or revolution in the United States, as there are only about a million Communists and Communists sympathizers here, and, using a Russian word, the Regular Army, the National Guard, the American Legion, and Veterans of Foreign Wars could "liquidate" them all in a few weeks' time if they tried to put on a revolution in our country.

My advice is to tell the American people what communism is and it will never spread far among our free and independent people. Here is what communism stands for: (1) Hatred of God and all forms of religion; (2) destruction of private property and

inheritance; (3) promotion of class hatred; (4) revolutionary propaganda through the Communist International to stir up Communist activities in foreign countries in order to cause strikes, riots, sabotage, and industrial unrest; (5) destruction of all forms of representative or democratic governments, including civil liberties, such as freedom of speech, of the press, of assembly and trial by jury; and (6) the promotion of a class or civil war by force, violence, and bloodshed and through world revolution to attain the final objective of a soviet form of dictatorship under the red flag with the world capital at Moscow.

The action of the Columbia Broadcasting Co. in permitting Mr. Browder to speak over their network proves at least in America that freedom of speech still exists. Had Mr. Browder made the same kind of a speech in Moscow that he made last night, he would have been shot at sunrise. There is no such thing as free speech in Soviet Russia. The slightest criticism against the Communist regime means deportation to the timber camps of the north or sudden death. It is amusing to listen to the Communists in America yelling from the housetops about freedom of speech and in the next breath advocating revolutionary methods to establish a Soviet dictatorship in the United States whose first act would be to abolish freedom of speech and of the press and to substitute state terrorism supported by secret political police, force, violence, and control of the bread ticket.

Only recently Robert Ripley, editor of "Believe It or Not", was refused permission to enter Soviet Russia because he had dared to state the facts and criticize the conditions there; in other words, he refused to be a propagandist or to censor his articles for the benefit of the Soviets.

I have been repeatedly asked to state what organizations are making an effective fight against communism. Among the organizations in this country that have rendered consistent and practical service in combating communism should be listed the Catholic Church, through Father Edmund A. Walsh, of Georgetown University; the American Federation of Labor, through William Green and Matthew Woll; the American Legion; the Veterans of Foreign Wars; United Spanish War Veterans; the American Coalition, comprising over 100 patriotic groups; the United States Chamber of Commerce; Better America Federation; the Hearst and Macfadden publications; the Elks, Moose, Red Men, Junior Order United American Mechanics, and Lions Clubs; and among the individuals, Walter S. Steele, of the National Republic Magazine; Col. Edwin Marshall Hadley and Harry A. Jung, of Chicago; Representative John W. McCormack, of Boston; and Police Inspectors John A. Lyons, of New York, Make Mills, of Chicago, and William F. Hynes, of Los Angeles.

All of these organizations and individuals have refused to compromise with communism and are deserving of public support in their efforts to combat its spread in America.

On the other hand, there are a number of organizations and individuals who started out apparently with good intentions to combat communism but have been carried away by various forms of obsessions that have either detracted from or destroyed completely their further usefulness in fighting communism. I refer to Mr. James True, who, in his Industrial Control Reports, has become nothing more than a Jew baiter and has gone to the extent of accusing Senator BORAH's secretary, Miss Cora Rubin, as being a Russian Jewess, when the fact is she is a native-born American of Christian parents. Mrs. Elizabeth Dilling, author of the Red Network, has likewise repeated this misinformation and other anti-Jewish perversions, and apparently is under the impression that there is little difference between a liberal and a Communist. Such a lack of intelligence undermines and practically destroys any value that the Red Network might have had.

The outstanding Jew hater of them all, however, is a certain Robert Edward Edmondson, who operated the so-called Edmondson Economic Service in New York, who in one of his recent issues, because I deny that every Jew or every liberal is a Communist, asks, "Was the name originally spelled 'Fisch'?" thereby probably trying to connect my name with the alien Isador Fisch of the Hauptmann case.

Another individual in the same category, as far as exaggerated statements that are harmful to all those seeking to combat communism, is Mr. Ralph Easley, of the National Civic Federation, whose amazing and unfounded statements constitute a handicap to all those fighting against the spread of communism.

Just why any American citizen should support or contribute to any of these four witch burners or their organizations is beyond my comprehension in a free country where intolerance and bigotry has no place in our national life and when the Constitution guarantees that there shall be no discrimination on the ground of race, color, or creed.

The Communists are the most skillful propagandists in the world, and Mr. Browder is no exception in his appeal to all those who favor old-age pensions, unemployment insurance, and reemployment of labor. In answer, let me say that confidence and employment are one and inseparable, and the only way to restore employment of labor under our American system is through the restoration of confidence by sound principles of government and not by destruction of wealth and private property.

I have favored old-age pensions for many years, and introduced 10 years ago in Congress a bill to provide such pensions. The present Congress by an overwhelming vote passed a Federal Old Age Pension Act as the first step in meeting this economic and social problem, and provided in addition unemployment insurance.

It is an old trick of the Communists to harp on issues which everyone favors, although there may be a difference of opinion as to methods and application. The Communists, knowing that their

fundamental principles are abhorrent to free Americans, try to exploit the depression for their own benefit by making fabulous promises and attacking any reasonable attempt toward recovery, social security, and employment.

The newest strategy of the Communist International, laying aside temporarily their fundamental principles, is to appeal to the discontented elements to form a united radical front, and to intensify their tactics of boring from within in all labor, educational, youth, racial, and pacifist groups, and even into some religious denominations.

Mr. Browder huris defiance at the capitalistic system. He insists it has failed and broken down and must go. According to him, American labor is suppressed, exploited, and brutalized under our industrial system, based on private initiative and profit. The American system under which our wage earners have been the best paid, the best housed, the best fed, the best clothed, and the most contented and freest in the world must be scrapped for communism and imported form of economic and political dictatorship.

There is only one real test of the relative advantages of communism and capitalism, and that is Soviet Russia, where 6,000,000 people starved to death in 1933 and 1934 in what used to be the granary of Europe. If a thousand people starved to death in America all the capitalistic press would proclaim the doom of capitalism in headlines. To see the concrete difference between capitalism and communism all one has to do is to go to the secessionist states, formerly part of Russia, like Finland, Latvia, and Lithuania, under capitalist regimes, where the farmhouses are well constructed and the peasants well fed, clothed, and contented; and then go across the border into Soviet Russia, where the farmhouses are dilapidated and falling down and the peasants in rags, undernourished, and living in a virtual state of terror. Why half of the underfed and terrorized population of Soviet Russia would move out in 60 days if the emigration barriers were let down.

The attitude of the American Federation of Labor toward recognition of Soviet Russia and toward communism is right. Free American labor resents being compared with the regimented, ticked, terrorized, and forced labor of Soviet Russia. That is one reason the Communist Party casts so few votes in America. American labor does not propose to give up any of its rights and liberties as free, sovereign American citizens.

I appeal to the American people back home to write to their Representative in Congress urging the enactment of strict deportation laws to deport all aliens, Communists, Socialists, Nazis, Fascists, and conservatives who preach class hatred and the overthrow of our free institutions and republican form of government by force and violence.

If these aliens do not like our country, its laws, and its institutions, all they have to do is to go back where they came from and enjoy the lack of freedom of speech, oppressive laws, and starvation wages. But if they insist on remaining here and spreading poison and hatred against our free institutions, the Constitution and our laws, our flag, and all religions, then they should be deported back home and their jobs given to loyal Americans now walking the streets looking for jobs, who do believe in our American system of government.

These aliens do not fear our police, our courts, or our jails; the only thing they fear is to be deported back home. I am convinced that if a few hundred of the leading alien Communists and other alien agitators were deported, these alien growths would soon cease to spread or bother the American people.

In conclusion, if the American people want to avoid giving encouragement to communism they should steer a course without fear or favor along the beaten paths of our representative and constitutional form of government and away from economic and political dictatorship.

There must be no compromise with the class hatred and socialism of the New Deal or turning back to the old order of special privilege and domination by wealth and reaction. The Republican Party, if it wants to win, must reaffirm its early principles enunciated by Abraham Lincoln that labor is prior to capital and that human rights are superior to property rights, and stand on a sound, sane, and liberal platform of a square deal for the farmers, the wage earners, businessmen, and private property under the confines of the Constitution.

As one who has spoken in 40 States within the last year, I am convinced that Senator BORAH more nearly represents the ideals and principles of Abraham Lincoln and his love of popular institutions and the square deal of Theodore Roosevelt, and is the only Republican who is sure of winning, and who would put an end to the present political dictatorship by restoring a government of law instead of by Executive order.

#### WHY I AM FOR SENATOR BORAH

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a statement by myself.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following statement of why I am for Senator BORAH for President:

I have spoken in 40 States of the Union within the last year and am convinced that the only Republican who can actually be elected President is Senator WILLIAM E. BORAH. It is practically conceded by every Republican conversant with the political situation that

no reactionary or Wall Street candidate has any chance of being elected President this year.

I am urging the nomination of WILLIAM E. BORAH for President on the Republican ticket because I believe he more nearly represents the principles and ideals of Abraham Lincoln and the square deal of Theodore Roosevelt than any other Republican in public life and can bring back into the party the liberals and diverse groups that have left us in recent years.

His legislative record of almost 30 years is synonymous with a square deal for the American farmer, wage earner, and small-business man, and for private property under the Constitution. He is opposed to economic and political dictatorship and to "expensive, demoralizing, devastating, and destructive bureaucracy", and believes in a government by law instead of by Executive orders.

He was one of the first Republicans to fight the strangulation of the N. R. A. and voted against it. Some of the reactionary politicians have tried to make out that he voted for most of the New Deal measures. Why, the N. R. A. was 50 percent of the New Deal, with its regimentation, crushing bureaucracy, and destruction of business confidence. Senator BORAH opposed the N. R. A. when it was unpopular to do so and when his present critics were supporting the New Deal. Referring to the New Deal bureaucracy under the N. R. A., he said: "It has destroyed every civilization upon which it has fastened its lecherous grip."

Senator BORAH is a great constitutionalist, and refused to compromise with such obviously unconstitutional measures as the Bankhead cotton-control bill, the Guffey coal bill, the N. R. A., the bargaining tariff legislation, and the antilynching bill. He even refused to support the potato-control bill, which his own State of Idaho favored. In view of such consistency it is ridiculous to attempt to make out that Senator BORAH has voted for most of the important New Deal measures or that he only gives lip service to the Constitution.

It is true that he voted for the sound and constitutional measures passed by the administration, such as the Home Owners' Loan Corporation Act, the Federal Deposit Insurance Corporation Act, the Securities Exchange Act, regulation of the stock exchange, Farm Loan Act, and other needed and meritorious legislation for the benefit and protection of the people, such as the Social Security Act, including old-age pensions and unemployment insurance.

The big interests and the reactionary political leaders may wake up after election day, if they force an unknown and weak candidate on the ticket who has no knowledge or experience of the great national and constitutional issues, and be confronted with 4 more years of President Roosevelt and the New Deal. They will then gnash their teeth and repent for their blind political folly, but it will be too late.

It is my honest conviction that they must make some concessions to sane liberalism and help nominate a sound candidate for President on the Republican ticket or go down to a crushing defeat, which may mean the doom of the Republican Party.

The American people do not want to compromise with socialism or class hatred of the New Deal, but they will not go back to the Old Deal of reaction and domination by wealth and special interests.

The old guard leaders are crazy if they think they can lead the younger and more liberal element of the Republican Party back to the old days of public utilities and Wall Street control. Just let them try it, and the Republican Party will go the way of the Whig Party, because the rank and file of the people will have left it nothing but a skeleton in the hands of a corporal's guard of repudiated leaders and a few ultraconservatives of the wealthy class.

My reason and motive for speaking out now is to avoid such a contingency. The country cannot stand 4 more years of President Roosevelt and the socialism and "squandermania" of the New Deal, nor can the Republican Party. We must not act like ostriches, with our heads in the sand and refuse to see the stop, look, and listen signs. It will be too late and of no avail after the election.

The country is in an economic and political crisis, and we Republicans must put our united strength into a determined effort to preserve our constitutional and representative form of government and restore a government of law instead of by brain-trust edicts.

I am a Republican and intend to make my fight within the Republican Party, but reserve the right to exert every effort to humanize and liberalize its policies and leadership. I am for Senator BORAH because I believe he has the confidence of the rank and file within the party and not only can be elected but will restore to Congress the legislative powers which belong to it under the Constitution. He also has a tremendous appeal among Jeffersonian Democrats and great racial groups, such as the Germans, Italians, Jews, and Catholics, in the industrial centers, because of his actions as chairman of the Senate Committee on Foreign Relations.

The Republicans cannot afford to blunder headlong into another national defeat. The reelection of President Roosevelt will mean a new N. R. A., increased bureaucracy and State socialism, additional taxes, and more "squandermania", promotion of class hatred, and destruction of wealth and private property. More than everything else there is the probability that the President will have an opportunity to place on the Supreme Court within the next 4 years at least three new justices of the Frankfurter school through resignations and death of the present incumbents, thereby gaining control over the one remaining independent branch of our Federal Government.

I protest, together with millions of other good Republicans, the continuation of old-guard rule-or-ruin policies of the type



that has almost destroyed the party in New York State and led us from one glorious defeat after the other, so that we have not elected a Republican Governor since 1920.

The blind, reactionary, and prejudiced old-guard leadership within the Republican Party reminds me of the actions of the Bourbons in France, who refused to make adequate concessions to the liberal sentiment and, consequently lost their property and their heads. The other night I saw a movie of the life of Louis Pasteur, who discovered germs and microbes about 1870, but the doctors of France of that period, blind to any progress, scorned and repudiated him. The Republicans cannot afford to follow the selfish and reactionary old guard leaders any longer who have not progressed or changed since the days of Mark Hanna.

Labor is strong for Senator BORAH on his record of fighting for more than a quarter of a century in Congress for a square deal for American wage earners and for adequate protection against the imports of products of foreign pauperized labor. He has led the fight against all forms of economic monopolies. He was the author of the bill creating a Department of Labor and making its head a member of the President's Cabinet, and also creating the Children's Bureau. He put through the 8-hour law on public works and was likewise the author of the bill investigating the 12-hour-per-day and 7-day-per-week condition of the steel workers. He supported the anti-injunction bill, veterans' adjusted-service-certificate bill, railroad pension and retirement act, and the social-security bill, and voted to give \$30 a month to the helpless aged.

He has always had the support of the farmers of his own State and of the Grange. He put through the Senate the export debenture for agriculture and split with President Hoover in an effort to limit the tariff bill strictly to agriculture. He led the fight against the reciprocal-trade treaty with Canada which trades off the farmers for industry.

His record on the Foreign Relations Committee is known to the American people. He led the successful fight against the League of Nations, Versailles Treaty, World Court, and other forms of entangling alliances including the recent effort of the New Deal to give the President power to lay economic sanctions which would have involved us in European blood feuds and boundary disputes. He has a tremendous following among the people of German origin on account of his opposition to the Versailles Treaty and the confiscation of German or alien property after the war. The Italian element are back of him, as he stopped President Roosevelt from getting power to place economic sanctions against the Italian people. He has a tremendous following among the Irish and Catholics because of his resolution and plea for liberty of religious worship in Mexico. He is popular with the Jewish element because of his advocacy of Zionism, the establishment of a homeland for the Jews in Palestine, and because, as a liberal, he is opposed to religious or racial intolerance and persecution. The Jeffersonian Democrats would support him in every State in the Union. His record speaks for itself. If there is a better-known Republican with his eminent qualifications and experience, or one with more popular support with the rank and file, I admit I have not heard his name. It is my honest conviction that he would get, if nominated for President on the Republican ticket, a quarter of a million more votes in the city of New York than any other possible Republican and is the only one mentioned that could carry the State against Roosevelt.

The Republican Party, at its Cleveland convention, must not nominate a candidate who has the blessings of the old-guard reactionaries and special-interest factions—the kiss of death—whom the people will know to be handpicked by these factions and merely a pawn to carry on their continued domination of the party.

We must have an able, experienced candidate, who has a complete and thorough knowledge of the national and international issues to be presented to the people, and who will be qualified to meet the present Chief Executive on the stump and over the radio. Senator BORAH is recognized as the greatest orator in the Republican Party, and could make the sugar-coated phrases and honeyed words of the President in his fireside chats look like kindergarten efforts.

I am interested first in the success of the Republican Party and the election of a Republican President. Should Senator BORAH not develop popular strength in the primaries he has entered, then I will support some other liberal who has the support and confidence of the people.

The Republican Party needs, without sacrificing any of its sound principles, to reaffirm the early principles of the party enunciated by Abraham Lincoln, that labor is prior to capital and human rights superior to property rights, and the square deal of Theodore Roosevelt to all classes of the American people without regard to race, color, or creed, and then we will regain the faith and confidence of the American people and go forward to greater victories for the benefit of the Republic.

Senator BORAH stands for these principles, and no propaganda is needed to sell him to the American people.

Twenty-five Democratic Members of Congress from different sections of the country, including New York, Texas, and the far Western States, have privately admitted to me that Senator BORAH was the only Republican who could defeat Roosevelt. It is clear that he is the only Republican candidate mentioned for President who can bring back to the Republican Party the Northwestern States of Oregon, Washington, Idaho, Wyoming, Montana, North and South Dakota, Minnesota, and Wisconsin, which we must have in order to win. After all, the main objective is to oust the New

Deal and preserve our constitutional and representative form of government, of which there is no greater champion than Senator WILLIAM E. BORAH.

The speeches he delivered in Youngstown, Ohio, and Chicago recently were unanswerable, and the most effective made by any Republican for a number of years. They confounded his political detractors, thrilled his friends, and offered new hope for Republican success in November.

I reiterate that I am convinced that Senator BORAH is the only candidate that can carry New York State and the Northwestern States that are necessary to win. If he is not nominated, the big boys might just as well get ready to throw away their shears to cut coupons with as they won't be needed any longer.

Tears and lamentations will not stop the New Deal or change its course of setting up a new social and economic order, regardless of the Constitution. No one will be more to blame than the big interests, because they disregarded the political stop, look, and listen signs and refused to concede anything to the march of time and constructive liberalism. But instead they insisted on indicting all the New Deal measures, the good with the bad, and following the repudiated, reactionary, and selfish Republican old-guard leadership to the bitter end and to ruin and disaster for both the party and the country.

#### CORRECTION OF THE RECORD

Mr. SCOTT. Mr. Speaker, I ask unanimous consent that the RECORD for March 4, page 3285, be corrected. The gentleman from Texas [Mr. BLANTON] was speaking, and he said:

As a matter of fact, illustrating what those who oppose the McCormack and Kramer bills mean by free speech, when the gentleman, being a representative of the people, wanted to read an editorial, one of the advocates of this free speech, who objects to the Kramer and McCormack bills, the gentleman from California [Mr. SCOTT] objected to his reading the editorial.

Mr. Speaker, my objection was to a request by the gentleman from Arkansas [Mr. McCLELLAN] to extend his remarks by inserting in the RECORD the editorial. He did not ask permission to read the editorial. I did not object to any request of that kind. So I ask that the RECORD be corrected by taking out the word "reading" and inserting in lieu thereof the word "extending" in the RECORD.

Mr. BLANTON. Mr. Speaker, I have no objection. At the time they both meant practically the same.

Mr. SCOTT. Oh, no.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DEEN, Friday and Saturday of this week, on account of important business.

To Mr. MEEKS, for 2 weeks, on account of important business.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

- S. 1124. An act for the relief of Anna Carroll Taussig;
- S. 2188. An act for the relief of the estate of Frank B. Niles;
- S. 2219. An act for the relief of D. A. Neuman;
- S. 2875. An act for the relief of J. A. Jones; and
- S. 2961. An act for the relief of Peter Cymboluk.

#### ADJOURNMENT

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Friday, March 6, 1936, at 12 o'clock noon.

#### COMMITTEE HEARING

##### COMMITTEE ON THE PUBLIC LANDS

The Committee on the Public Lands of the House of Representatives meets on Friday, March 6, 1936, at 10 a. m. in room 328, House Office Building, to consider various bills.

#### EXECUTIVE COMMUNICATIONS, ETC.

700. Under clause 2 of rule XXIV, a letter from the Secretary of the Treasury, transmitting a proposed bill for the

relief of Clark F. Potts and Charles H. Barker, was taken from the Speaker's table and referred to the Committee on Claims.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McSWAIN: Committee on Military Affairs. H. R. 3629. A bill to authorize the acquisition of additional land for the use of Walter Reed General Hospital; with amendment (Rept. No. 2133). Referred to the Committee of the Whole House on the state of the Union.

Mr. FADDIS: Committee on Military Affairs. H. R. 10388. A bill to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30; without amendment (Rept. No. 2134). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishment; with amendment (Rept. No. 2135). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Roads. H. R. 10591. A bill to authorize the Secretary of Agriculture to investigate and report on traffic conditions, with recommendations for corrective legislation; with amendment (Rept. No. 2136). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. H. R. 11563. A bill declaring an emergency in the housing condition in the District of Columbia; creating a rent commission for the District of Columbia; prescribing powers and duties of the commission, and for other purposes; without amendment (Rept. No. 2137). Referred to the Committee of the Whole House on the state of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 11638) to provide for Federal conservation of the pilchard (*Sardinia caerulea*) fishery on the high seas contiguous to the Pacific coast of the United States outside of State jurisdiction, providing means of enforcement of the same, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. McSWAIN (by request): A bill (H. R. 11639) to amend section 4b of the National Defense Act, as amended, relating to certain enlisted men of the Army; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 11640) to amend articles of war 50½ and 70; to the Committee on Military Affairs.

By Mr. SWEENEY: A bill (H. R. 11641) to adjust the salaries of rural letter carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. DEMPSEY: A bill (H. R. 11642) to change the name of the Department of the Interior, to be known as the Department of Conservation; to the Committee on the Public Lands.

By Mrs. GREENWAY: A bill (H. R. 11643) to amend certain provisions of the act of March 7, 1928 (45 Stat. L. 210-212); to the Committee on Indian Affairs.

By Mr. SCHAEFER: A bill (H. R. 11644) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. CROWE: A bill (H. R. 11645) to provide for the reconstruction of the George Rogers Clark home and the erection of a memorial at Clarksville, Ind., as a memorial to Gen. George Rogers Clark at his home place, and for other purposes; to the Committee on the Library.

By Mr. O'CONNOR: Resolution (H. Res. 437) for the consideration of H. R. 11365, a bill relating to the filing of copies of income returns, and for other purposes; to the Committee on Rules.

By Mr. KERR: Resolution (H. Res. 438) relative to the findings of the committee on the Miller and Cooper contested-election case; to the Committee on Elections No. 3.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNHAM: A bill (H. R. 11646) for the relief of Joseph Francis Thomson; to the Committee on Claims.

By Mr. KOPPLEMANN: A bill (H. R. 11647) for the relief of Ida Kallinsky; to the Committee on Claims.

By Mr. LUNDEEN: A bill (H. R. 11648) for the relief of Joseph Lane; to the Committee on Claims.

Also, a bill (H. R. 11649) for the relief of Joe Levin; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 11650) granting a pension to Victoria Turner; to the Committee on Pensions.

By Mr. SWEENEY: A bill (H. R. 11651) for the relief of J. C. Prosser; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11652) for the relief of Jacob Wane Hammel; to the Committee on Naval Affairs.

By Mr. TOLAN: A bill (H. R. 11653) conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon the suit in equity of Theodore Fieldbrave against the United States; to the Committee on Immigration and Naturalization.

By Mr. VINSON of Kentucky: A bill (H. R. 11654) granting an increase of pension to Lovena Triplett; to the Committee on Invalid Pensions.

By Mr. WHELCHER: A bill (H. R. 11655) for the relief of Ray Bailey; to the Committee on Claims.

By Mr. WERNER: A bill (H. R. 11656) granting an increase of pension to Leo Bear Weasel; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10389. By Mr. BLOOM: Petition of representatives of all the industrials of the town of Bayamon, P. R., urging that Puerto Rico be included in any new relief legislation which might be presented in the House of Representatives, requesting an extension of the Social Security Act, and suggesting an amendment to the Organic Act in order that a public welfare department may be created in Puerto Rico; to the Committee on Insular Affairs.

10390. By Mr. GWYNNE: Petition of owners of independent stores of the Third District, Iowa, urging the passage of House bill 6246, to prohibit manufacturers' special rebates or discounts to chain- or branch-store organizations competing with independent retail establishments, and for other purposes; to the Committee on Interstate and Foreign Commerce.

10391. By Mr. HENNINGS: Resolution of the conference of American Legion post commanders of St. Louis, Mo., favoring the passage of Senate bill 1454, that the United States Government furnish a flat or upright headstone for graves of all veterans of the United States; to the Committee on World War Veterans' Legislation.

10392. By Mr. MOTT: Petition signed by 18 citizens of Lane County, Oreg., urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10393. Also, petition signed by 19 citizens of Lane County, Oreg., urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10394. Also, petition signed by 36 citizens of Lane County, Oreg., urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10395. By the SPEAKER: Petition of the Tennessee Jersey Cattle Club; to the Committee on Agriculture.